PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 535 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
SIXTIETH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2010–2012

COMPRISING PERIOD
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7 November 2011

THE
PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2010]

SIXTIETH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 535**

TWENTY-SIXTH VOLUME OF SESSION 2010-2012

House of Commons

Monday 7 November 2011

The House met at half-past Two o'clock

PRAYERS

[Mr Speaker *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Foreign Students

1. **Mr David Evennett** (Bexleyheath and Crayford) (Con): What steps she is taking to strengthen the accreditation regime for colleges that admit foreign students. [78437]

9. **David Morris** (Morecambe and Lunesdale) (Con): What steps she is taking to strengthen the accreditation regime for colleges that admit foreign students. [78447]

16. **Mark Pawsey** (Rugby) (Con): What steps she is taking to strengthen the accreditation regime for colleges that admit foreign students. [78454]

The Secretary of State for the Home Department (Mrs Theresa May): Our fundamental reforms of student visas include a rigorous new inspection regime for private colleges. These tough new rules, coupled with robust enforcement action by the UK Border Agency, mean that more than 450 colleges have now lost their right to recruit international students under the points-based system. Only colleges offering a genuine, high-quality education will be able to sponsor international students in future.

Mr Evennett: I thank my right hon. Friend for her reply and commend her for the work she is doing in this area. Does she agree that the news last week that one in five colleges has lost its sponsor licence status shows that the accreditation scheme set up by her and her Department is working to stop the widespread abuse of the visa system?

Mrs May: My hon. Friend is absolutely right, and what I have announced today is just the start. All private colleges will have to go through that rigorous accreditation system by the end of the year and those that fail the system will no longer be able to bring in international students.

David Morris: I am pleased to hear that the Government are successfully shutting off immigration through bogus colleges with the accreditation scheme, and I was glad to hear the answer to the previous question.

Mrs May: My hon. Friend has mentioned the accreditation scheme for colleges, but of course we are going further in taking action against individual students as well as restricting their rights. We have introduced new rules on English language and we have restricted students' rights to work and to bring in family members. Next April we will close the post-study work route that has allowed graduates two years' free access to the labour market here in the UK. We want to make sure that those who come to study are coming genuinely to study and not to work.

Mark Pawsey: We do need to cut out the incentives for people who abuse the student visa route, but there will of course be cases when a mature student wishes to be accompanied by their spouse and children of school age. What are the Government doing to prevent abuse of the system by those who see this as a loophole through which they believe they can bring any number of dependants into this country?

Mrs May: As I indicated in my previous answer, we are taking action against students as well as against colleges. We are restricting the right for students to bring in family members. Only postgraduate students at universities can bring in dependants and we have changed the rules so that only those at universities and public colleges can work while they are studying. That means that we can continue to attract the brightest and best to our academic institutions while ensuring that we get rid of abuse.

Keith Vaz (Leicester East) (Lab): I hope that the Home Secretary was not too busy at the weekend to read the report of the Select Committee on Home Affairs that was published on Friday—specifically paragraph 44, which expresses astonishment that the UK Border Agency has been unable to tell us how many students have been deported for breaching their leave and that it does not recognise the term, "bogus college". Does she not think it extraordinary that the main agency dealing with these matters does not accept a term that she, I and the whole of Parliament have always used to describe such colleges?

Mrs May: I think that what matters is not the term we use but the action we take. That is why action is being taken to ensure that those colleges that have not been offering education to students are no longer able to bring in students and that we get rid of abuse in the student visa system, which has been a problem in this country for far too long.

Mr Jim Cunningham (Coventry South) (Lab): I support any measures that root out any abuses in the immigration system, but what discussions has the Secretary of State had with universities such as the university of Warwick that have expressed concern about student numbers from abroad because they rely mainly on such students to exist?

Mrs May: Before we put our policy into place, we had significant discussions with representatives from the university sector. We continue to talk to universities about the impact of the student visa system that we have introduced, and that scheme ensures that institutions that are offering a genuine education are able to bring in the brightest and best students, but it is up to them and us to make it clear that students are still able to come and learn at our universities from overseas.

Gangs

2. **Karl McCartney** (Lincoln) (Con): What steps she is taking to address antisocial behaviour by gangs. [78438]

17. **Ian Swales** (Redcar) (LD): What steps she is taking to tackle gang culture. [78455]

The Secretary of State for the Home Department (Mrs Theresa May): The Government's approach to gang culture is set out in the "Ending Gang and Youth Violence" report, which I outlined to the House last week. This marks the start of a cross-Government programme of work based on five areas: prevention, pathways out, punishment, partnership working and providing support.

Karl McCartney: I welcome my right hon. Friend's commitment to addressing gang and youth crime. Does she agree that the problem cannot be solved by Government alone, but that parents especially and local voluntary and community groups have an important part to play? Will she tell me what is being done to support communities to fight back?

Mrs May: My hon. Friend is absolutely right. It is essential that the Government recognise not only that this issue goes across various Government Departments, but that we need to work with the voluntary and community sector. In February I committed £4 million for the communities against guns, gangs, and knives fund. That is already supporting the work of more than 200 grass-roots projects across England and Wales that are working with young people, their families and local communities. In the report that I presented to Parliament last week I made a commitment that half of the £10 million of funding to tackle gang violence will go to the non-statutory sector.

Ian Swales: When a gang member leaves home armed with a knife, they do so with the ability to commit grievous bodily harm or even murder. What can the Home Secretary do to reduce the number of knives on our streets?

Mrs May: My hon. Friend makes an important point. Obviously, we are tackling that in a number of ways. First, we have introduced changes in a new knife crime offence, which was introduced in the Legal Aid, Sentencing and Punishment of Offenders Bill last week to tackle it from that end. At the other end we have made money available to the Ben Kinsella fund, and Brooke Kinsella produced a very good report for the Government, going round and identifying projects that work with young people to stop them carrying knives and prevent them from being a danger to others and to themselves.

Ian Austin (Dudley North) (Lab): Everybody wants to see tough action to tackle antisocial behaviour and I welcome what the Home Secretary said a moment ago about the involvement of council, Church and community groups in providing youth services. I have just come from a meeting with young people from Dudley, some of whom are in the Gallery now, and one of them asked me about Dudley council's decision to cut spending for youth services. Does the Home Secretary think that antisocial behaviour is likely to increase or decrease as a result of cuts to spending on youth services?

Mrs May: What I think is important is that in every local community decisions are taken that are right for that local community about what is going to work. The Home Office and the Government are providing funding to a number of communities throughout the country to ensure that in many cases they can do excellent work with young people to ensure that we can reduce the number of knives that are carried on our streets. This is just the start. Further work will be done to try and counter the gang and youth violence which, sadly, blights too many of our communities.

Heidi Alexander (Lewisham East) (Lab): In August the Prime Minister told me that the Home Secretary would meet social media companies to explore the role of the internet and technology in propagating gang culture. Will the right hon. Lady tell me what the outcome of those meetings was and what action will be taken?

Mrs May: I am happy to do so. I did indeed meet representatives of Twitter, Facebook and BlackBerry. I met them with representatives of the Association of Chief Police Officers and from the Metropolitan police, and we discussed a number of matters—how the police can actively use social media networks, and how the companies can look at their terms and conditions to see when they might take people off the network because they are breaching those terms and conditions. Subsequent meetings have been held on a one-to-one basis between the police and the individual companies.

Tom Brake (Carshalton and Wallington) (LD): In discussions with a very senior, experienced officer, one of the issues that he highlighted was the lack of effective communication channels between the police and young people. To what extent does the Home Secretary believe that the ending gang and youth violence teams will be able to pick up and run with that issue?

Mrs May: My right hon. Friend makes an extremely important point. There is some good work being done here in London, for example, with the Safer London Foundation, which is a charity backed by the Metropolitan police. That is an important aspect of the work that I hope the ending gang and youth violence team will be able to encourage at a local community level.

Knife Crime

3. **Albert Owen** (Ynys Môn) (Lab): What recent assessment she has made of the level of knife crime. [78439]

13. **Stephen Timms** (East Ham) (Lab): What recent assessment she has made of the level of knife crime. [78451]

The Minister for Policing and Criminal Justice (Nick Herbert): In the 12 months to June 2011, data collected by police forces in England and Wales indicate that 7% of relevant violent offences involved the use of a knife or a sharp instrument.

Albert Owen: Knife crime affects every community. In my constituency, following the senseless murder of Leon Jones who was just 21, a group was set up called Dump the Knife—Save a Life. That was young people working with the police and the local community. Can the Minister ensure that funding for such groups will be available in the future, following the announcement of a cut of some 60% in community budgets?

Nick Herbert: I appreciate the value of groups such as the one the hon. Gentleman describes and am happy to look at it. We have made £18 million of funding available for the next two years to support the police, local agencies and the voluntary sector in tackling knife, gun and gang-related violence, and I would be happy to talk with him about the project.

Stephen Timms: I am grateful to Ministers for supporting the "Carry a basketball not a blade" initiative in my constituency, but knife crime has risen in London every year since the current Mayor was elected. What more will the Minister do to press the Mayor to get on top of this terrible problem in London?

Nick Herbert: I agree with the right hon. Gentleman that knife crime is a serious concern, which is why the Government, as my right hon. Friend the Home Secretary has just pointed out, have introduced a new offence of aggravated carrying of a knife. We need to send clear signals and there needs to be effective police action. He knows that the Mayor has been promoting that in London with his knife crime plan, Operation Blade, and we will continue to support those efforts.

Charlie Elphicke (Dover) (Con): Is not the key to cutting knife crime the sending of a clear social message that anyone who commits a crime with a knife or gun will go to prison, actions that this Government have taken, along with the excellent ideas that Brooke Kinsella has come up with?

Nick Herbert: I agree with my hon. Friend. It is about tough enforcement and sending a clear signal that those who carry knives and use them in a threatening manner will receive a custodial sentence, which we are legislating for, and about the programmes that work with communities to deter people from using knives. That is what Brooke Kinsella's excellent report focused on.

Stella Creasy (Walthamstow) (Lab/Co-op): In the past 10 days alone victims of knife crime have included a poppy seller in Sussex, a father attending a first birthday party in Mitcham and a young man trying to stop a fight in Walthamstow on Friday night. Given the scale of cuts to policing and community safety budgets that the Government are implementing under the Home Secretary's watch, does she think that knife crime will continue to go up or go down next year?

Nick Herbert: I share the hon. Lady's concern about knife crime, which is why we are introducing the measures I have announced on strong enforcement and the important community programmes to deter people from carrying knives, but I notice that her question did not include a single positive proposal for dealing with knife crime, other than the usual Labour party proposal, which is to spend more money.

Police Forces (Collaboration)

4. **Harriett Baldwin** (West Worcestershire) (Con): What progress she has made in increasing the level of collaboration between police forces. [78440]

15. **Tony Baldry** (Banbury) (Con): What progress she has made in increasing the level of collaboration between police forces. [78453]

The Secretary of State for the Home Department (Mrs Theresa May): I welcome the increasing levels of collaboration between police forces and expect more forces to consider how to work together to bring improvements and save money. The Government provide funding to support regional collaborations to tackle organised crime and have strengthened the duty to collaborate through the Police Reform and Social Responsibility Act 2011.

Harriett Baldwin: I thank the Home Secretary for that reply. Does she agree that the collaboration between West Mercia police and Warwickshire police, through their human resources department, produces exactly the kind of saving that can be made without resorting to the compulsory mergers advocated by the previous Government?

Mrs May: Indeed, and I commend my hon. Friend's police force for the work it is doing in collaboration. Many forces across the country are collaborating in a number of areas. We are able to ensure that we can get the benefits of collaboration without forcing mergers on police forces, which the Labour party tried to do when it was in government.

Tony Baldry: Thames Valley police is collaborating in various ways with no fewer than six other forces, and the work it is doing with the Hampshire constabulary alone is saving £9 million a year. Does my right hon. Friend agree that that demonstrates that it is perfectly possible for police forces to save money without that having any impact on front-line policing?

Mrs May: My hon. Friend is absolutely correct that that is possible. Thames Valley and Hampshire police are showing that, as are other forces up and down the country. Indeed, in many cases they will not only be saving money, but may be providing a more effective service.

Barbara Keeley (Worsley and Eccles South) (Lab): One area where collaboration between forces would be welcome is in dealing with metal theft, which is growing across the country. For example, a business in my constituency lost its industrial process, which meant that it then lost business. What will Ministers do to ensure that collaboration increases and, more importantly, when will they introduce legislation to deal with metal theft?

Mrs May: The hon. Lady has raised a matter of serious concern to a great number of Members, particularly given that we have seen not only the impact on the economy, but the appalling incidence of theft of metal plaques from war memorials, which I am sure has shocked everyone in the House. We are discussing with ACPO and others what legislative changes to the Scrap Metal Dealers Act 1964 might be needed and we are talking with the police about what action can be taken better to identify the rogue dealers in advance of any changes to the legislation.

Mr David Hanson (Delyn) (Lab): Nobody will oppose sensible collaborations, but with last week's report of a 7% rise in theft and a 10% rise in household burglary reported, coupled with a projected loss of 16,000 police officers, it is incumbent on the Secretary of State to tell us the exact total savings from such collaborations nationally and the remaining national funding shortfall after those collaborations have saved some money—if only so that the Minister for Equalities, the hon. Member for Hornsey and Wood Green (Lynne Featherstone), is able to stop her police cuts campaign quickly.

Mrs May: Discussions are taking place between police forces on exactly how much money can be saved by such collaborations, and better approaches to police procurement and to IT, for example, will help to save £380 million. But I am very sorry because it sounds as if yet again the Labour party opposes action to save money while ensuring that the police are able to maintain their services.

Family Migration Route

5. **Andrew Stephenson** (Pendle) (Con): What steps she is taking to prevent abuse of the family migration route into the UK. [78441]

14. **Mr John Baron** (Basildon and Billericay) (Con): What steps she is taking to prevent abuse of the family migration route into the UK. [78452]

The Minister for Immigration (Damian Green): This Government are determined to bring net migration back to sustainable levels, and to bring a sense of fairness back to our immigration system. That is why we consulted on new measures to prevent the abuse of family migration, to promote integration and to reduce burdens on the taxpayer.

Andrew Stephenson: I thank my hon. Friend for that answer. At our party conference the Home Secretary outlined plans to amend the immigration rules better to balance the right to a family life with the wider public interest in controlling immigration. What estimate has the Minister made of the number of immigrants using article 8 of the European convention on human rights to remain in the United Kingdom?

Damian Green: My hon. Friend makes a good point, and the UK Border Agency took a snapshot, reviewing in detail those appeals by foreign criminals against deportation which were determined in October to December last year. There were 551, of which 162 were successful, and of those 99—61%—were allowed on article 8 grounds. That is precisely why we will revise the immigration rules to reinforce the public interest in seeing foreign nationals who are convicted of a criminal offence and those who have breached our immigration laws removed from this country.

Mr Baron: Amid the UK Border Agency's problems with handling asylum cases, will the Minister assure the House that spouses coming to live here in the UK will have to show a commitment to speak and learn English—for their benefit as well as the benefit of society as a whole?

Damian Green: Both those points are right: such an approach is not just for the benefit of the individual; it is absolutely for the benefit of the community that they enter. That is why last November we introduced requirements that spouses and partners must demonstrate a basic knowledge of the English language before they are granted a marriage visa. It is reasonable that anyone intending to live in the UK should understand English so that they can integrate fully and participate fully in life in this country.

Steve McCabe (Birmingham, Selly Oak) (Lab): Given the passport control fiasco exposed over the past few days, does the Minister seriously still expect us to accept, as he said seven days ago:

> "The Government is doing more than ever before to protect the UK's borders"?

Damian Green: Absolutely. The hon. Gentleman knows that my right hon. Friend the Home Secretary is going to make a statement on that matter later, when it can be dealt with in detail, but in his honest moments he will accept that one of the biggest problems—one of the biggest shambles—that this Government inherited was the immigration system that the previous Government left us, and that is what we are getting to grips with now.

Kate Green (Stratford and Urmston) (Lab): Access to good quality expert advice is important to support legitimate applicants and to ensure that those who should not be here can be advised quickly that they have no case, but constituents report to me that such advice is in increasingly short supply. What steps will the Minister take to ensure that good quality advisers remain in place, particularly following the Government's cuts to legal aid?

Damian Green: The Government's cuts to legal aid specifically do not apply to asylum cases, because we accept that genuine asylum seekers will be in need of proper legal advice, but across the House it is agreed that some of the legal advice available in immigration cases, whether asylum or general immigration cases, is frankly substandard. That is why, when looking at our support for the legal aid system, which was yet another public spending regime that ran out of control under the previous Government, we have specifically protected the most vulnerable.

Dr Julian Huppert (Cambridge) (LD): All of us want to try to avoid abuse of all the immigration systems, but does the Minister accept that our high-tech industries in particular rely on key individuals from overseas? It is very important to be able to attract those individuals, and some of these immigration changes risk deterring them from coming here. What steps will he take to ensure that we still get the key international people we need?

Damian Green: I am happy to say to my hon. Friend that we have already taken those steps. Indeed we are bringing down the number of people coming here but, at the same time, we are differentiating more effectively, so that the brightest and the best can continue to come here. That is why we have created the new investors and entrepreneurs visas, which have doubled the number of entrepreneurs who have come into this country over the course of this year, and that is why we have set up the exceptional talent route.

Mr Speaker: Order. I am extremely grateful to the Minister.

Antisocial Behaviour

6. **Nicola Blackwood** (Oxford West and Abingdon) (Con): What steps she is taking to reduce antisocial behaviour. [78442]

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): The Government are committed to tackling the corrosive impact of antisocial behaviour. We are ensuring that the police and other agencies have faster more effective powers, that complaints are dealt with more responsibly and that the public have much clearer information about incidents occurring in their local area.

Nicola Blackwood: I thank the Minister for his answer, but constituents and local police have raised with me their frustration at the difficulties that local police have in dispersing groups of antisocial individuals, who cause so much misery for their victims by their actions. The Home Office has consulted on giving front-line police the power to direct antisocial individuals and groups away from specific areas, but will the Minister update the House today on whether those proposals will be implemented and, if so, when?

James Brokenshire: I thank my hon. Friend for her question. I certainly recognise the issues that many communities face from antisocial behaviour and the fact it perhaps was not previously taken as seriously as it should have been. We propose to combine the most effective elements of the various dispersal powers available to the police into a single simpler police power to direct people away from an area where they are committing or are likely to commit antisocial behaviour. We intend to legislate on the new powers at the earliest opportunity.

Gloria De Piero (Ashfield) (Lab): As the Home Secretary has acknowledged, vandalism, antisocial behaviour and theft from war memorials repulse everybody, particularly in the run-up to Remembrance Sunday. Given that much of that activity is related to the illegal metal trade, why will Ministers not bring forward legislation right away? What is the hold-up?

James Brokenshire: I welcome the hon. Lady to her position on the Front Bench. I certainly agree with her that the attacks on war memorials in the run-up to Remembrance Sunday are absolutely despicable. I am sure that the whole House will join me in condemning those shocking crimes. The Home Secretary has mentioned a number of steps that the Government are already taking. We are working with the Association of Chief Police Officers to put in place an action plan. Steps are already under way and we are working with other Departments to take further action as well.

Alcohol-related Antisocial Behaviour

7. **Iain Stewart** (Milton Keynes South) (Con): What steps she is taking to reduce alcohol-related antisocial behaviour. [78444]

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): The Government are bringing forward a package of measures to ensure that alcohol is no longer the driver of crime and disorder that it has been over the past decade. Measures range from giving more powers to local communities over licensing decisions, to cracking down on those selling alcohol to children and trialling a sobriety scheme to reduce offending. Those provisions are in addition to the introduction of wider measures to address antisocial behaviour.

Iain Stewart: In 2007, just five people were prosecuted for attempting to buy alcohol under age. Will my hon. Friend set out in a bit more detail what steps he is taking to restrict the sale of alcohol in retail outlets to those who are under age?

James Brokenshire: My hon. Friend has raised a very important point on the whole issue of the irresponsibility of alcohol being sold to children. We have taken steps to double the maximum fine to those who are selling alcohol persistently to under-age children to £20,000, and to increase the powers of the police and local councils to close such premises down permanently. We are working with other Departments, and the Department of Health is leading on an alcohol strategy that will take into account further issues. I am under no illusions about the important role that parents and schools also have, which is why further action is being taken.

Nick Smith (Blaenau Gwent) (Lab): Will the Minister update us on the Government's plans to introduce a minimum price for alcohol to reduce alcohol misuse and antisocial behaviour?

James Brokenshire: Yes. The hon. Gentleman will be aware that the Government have stated clearly their intention to ban below-cost sales, with the first measure being the banning of sales below duty plus VAT. I can confirm to him that those proposals will be implemented on 1 April next year.

Philip Davies (Shipley) (Con): May I urge the Minister to concentrate on tough penalties for people who get involved in alcohol-induced antisocial behaviour instead of introducing this rather soppy, wishy-washy, nanny-state nonsense of minimum pricing of alcohol?

James Brokenshire: I thank my hon. Friend for his typical contribution to these debates. In dealing with issues of alcohol, we need to ensure that we have robust powers to deal with alcohol-related antisocial behaviour, as we are doing. We also need to deal with pricing, which is why we are banning below-cost sales, and with prevention, which is why we will be taking further action in relation to schools, parents and the health service.

Mr Speaker: Michael Connarty is not here, so I call Mark Hendrick. *[Interruption.]* Order. It is all very well for the hon. Member for Dudley North (Ian Austin) to say that the right hon. Member for Mid Sussex (Nicholas Soames) wants to ask about the food industry, but the question on the Order Paper is not about the food industry.

Illegal Immigration (Olympics)

10. **Mark Hendrick** (Preston) (Lab/Co-op): What assessment she has made of the potential effects of the London 2012 Olympics on the level of illegal immigration to provide forced labour in the food sector (a) in London and (b) nationwide. [78448]

The Minister for Immigration (Damian Green): I was looking forward to that question as well, Mr Speaker.

The UK Border Agency does not have evidence of an increase in forced labour in the food sector as a result of the forthcoming London 2012 Olympics. However, the agency assesses, remains alert to, and, where appropriate, acts on a wide variety of immigration threats and risks specifically associated with the Olympics.

Mark Hendrick: The Government's wait-and-see approach is dangerous. When Greece hosted the Olympics in 2004 and Germany held the World cup in 2006, the authorities adopted a forward-thinking strategy that included extra training for police to spot trafficking, and PR campaigns to raise awareness among the public. Will the Government consider adopting a more proactive strategy ahead of the games to ensure that human trafficking does not become part of the London 2012 legacy?

Damian Green: I am very aware of the importance of this issue, and I am happy to assure the hon. Gentleman that a strategy has been in place for some time. For example, the Olympic project team at UKBA has carried out over 8,000 identity assurance checks on contractors and workers on the Olympic site and have arrested 20 people as a result in the current financial year alone. In total, the team have carried out over 60,000 ID assurance checks and made over 300 arrests since 2008. The kind of proactive strategy that the hon. Gentleman wants is very much in operation..

Nicholas Soames (Mid Sussex) (Con) *rose—*

Mr Speaker: Order. On this question, the wish of the right hon. Gentleman might or might not be satisfied.

Nicholas Soames: Does my hon. Friend agree that in the Olympic year, the work of the border agency will be of the first importance? Does he agree, since the agency is likely to come in for some stick later on this afternoon, that its individual officers do a remarkable, vital and very important job for this country, and that that needs to be officially recognised?

Damian Green *rose—*

Mr Speaker: Order. The Minister should answer in the context of the London 2010 Olympics, or possibly in the context of forced labour in the food sector, in London or elsewhere.

Damian Green: I completely agree with my right hon. Friend that UKBA officers do a vital job very conscientiously. It is particularly important that they continue to do that and, if possible, to enhance their services in the run-up to the London 2012 Olympics. Part of that will involve ensuring that no abuse occurs in the food industry.

UK Border Agency

11. **Sheila Gilmore** (Edinburgh East) (Lab): What estimate she has made of the future number of staff employed by the UK Border Agency. [78449]

The Minister for Immigration (Damian Green): Our priority remains to secure the border and to control migration while we help to reduce the public deficit. We expect to have reduced by about 5,200 posts from the start of the review period to around 18,000 by March 2015. We are on track to meet our staff reduction target.

Sheila Gilmore: Will the Minister tell us how many of those 5,200 staff are being cut from the front line of the border force?

Damian Green: The hon. Lady will know that later this afternoon my right hon. Friend the Home Secretary will make a statement covering the issues that she is interested in. The reductions in staffing are not affecting the front line because we are improving the front line by, for instance, having airline liaison officers overseas. Over the past few years, that has prevented 60,000 people whom we did not want to travel from travelling in the first place. The use of facial recognition technology and e-gates also makes our borders more secure.

Mr Philip Hollobone (Kettering) (Con): Will the Minister assure the House that the effectiveness of our front-line border controls will not be undermined by pressure to reduce queues at airports?

Damian Green: As I have just explained to the hon. Member for Edinburgh East (Sheila Gilmore), it is important to have intelligent border controls, to use technology and to put the right people in the right places so that we can keep our borders secure. Those are elements of this Government's transformation of the UKBA to sort out the shambles that we inherited.

Chris Bryant (Rhondda) (Lab): The Minister may not know how many people are being removed from the border force, but I do. The numbers are 886 in this financial year and 1,552 before the next general election. He boasts that he is getting a grip, but this year there have been waits of many hours, EU nationals have been waved through in their hundreds and non-EU nationals have waltzed into the country without so much as a by your leave. We would absolutely adore it if he got a grip. Can he really say, hand on heart, that his cuts have nothing to do with the corners that are being cut with our security?

Damian Green: I am delighted to welcome the hon. Gentleman to his position as shadow Minister for Immigration. I remember fondly when, in government, he talked about the

"huff and puff in many of the tabloid newspapers"—[*Official Report*, 16 June 2003; Vol. 407, c. 15.]

complaining about immigration. I am sure that he will provide a lot of that in future years. I am sorry, but I have already answered his question. It is the way in which we use people that makes our borders more secure. I suggest that he pauses before he keeps using the phrase about waving people through, because nobody has been waved through the border. However, under the previous Government, as he will hear from the Home Secretary later, people were waved through.

Public Disorder (Tottenham)

12. **Mr David Lammy** (Tottenham) (Lab): What assessment she has made of the effectiveness of policing in Tottenham on the first night of the public disorder of August 2011, following the Metropolitan Police Service statement of 24 October 2011. [78450]

The Minister for Policing and Criminal Justice (Nick Herbert): My right hon. Friend the Home Secretary has commissioned the chief inspector of constabulary, Sir Denis O'Connor, to undertake an urgent review of public order policing in the five forces most affected by the disorder, which we expect to receive shortly. We will ensure that the lessons from that review are taken forward.

Mr Lammy: I am surprised that the Minister did not comment on the statement of the Metropolitan police, which said that their policing on the first night of the riots was not good at all. He will recognise the frustration and anger in Tottenham at the scale of the damage to Tottenham High road. What will he and his Department do to encourage other Departments to ensure that my constituency is regenerated?

Nick Herbert: I am sure that the right hon. Gentleman realises that it is right for us to wait for the report by the independent inspectorate and to take careful note of what it says about the policing that took place. Clearly things did go wrong and we have to learn the lessons. The Government are committed to doing so as, I am sure, are the Metropolitan police. As the Prime Minister has made clear, this is not just about the security response, but about the social response and the preventive measures, which I know the right hon. Gentleman is keen to promote, that can deal with this situation and stop such things happening again.

Gangs (London)

18. **Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): What financial support she is providing to London boroughs to tackle gang-related issues. [78456]

The Secretary of State for the Home Department (Mrs Theresa May): The police, local government and voluntary groups in London currently receive Home Office funding to tackle gang, gun and knife crime as part of the communities against guns, gangs and knives programme, which was announced in February. Further support will be available next year for local areas across the country to implement sustainable approaches to tackling gang violence.

Meg Hillier: In Hackney, the integrated gangs intervention unit has overseen a major reduction in gang violence. It is funded from the base budget of the council, but that might be more challenging in future years. What work is the Home Secretary doing to ensure that boroughs across London are working together and providing funding for similar initiatives so that we do not see gangs being tackled in one area only for them to bubble up in another?

Mrs May: The hon. Lady has made an important point about the importance of tackling this problem across the board. In talking to the Metropolitan police and in the work that will be done by the ending gang and youth violence team that the Home office is setting up at a local community level, we will incorporate the need to ensure that this work does not simply move gangs on to other parts of London. Funding is being focused on areas where there are particular problems. Hackney is in receipt of several amounts of funding for such projects. I fully take on board the hon. Lady's point and we will look at it in our further work.

Police Funding Settlement

19. **Ian Lavery** (Wansbeck) (Lab): Whether she plans to reassess the police funding settlement for 2012-13. [78457]

The Minister for Policing and Criminal Justice (Nick Herbert): The spending review settlement for the police is challenging but manageable, and we will not reopen the debate on the overall level of reductions. As part of the provisional settlement process for 2012-13 we will provide provisional allocations for police authorities, which will be subject to consultation before parliamentary approval.

Ian Lavery: Some 16,000 jobs nationally and 627 in the Northumbria police force are to be slashed. Will the Minister look again at the police funding settlement to prevent those huge cuts in front-line services in the police force?

Nick Herbert: I have explained that we are not in a position to reconsider the four-year funding allocation that has been made, because we have to deal with the deficit. Opposition Members simply do not seem to understand that. The police can make savings in ways that protect front-line services, as we heard earlier, and we are committed to ensuring that that continues to be the case.

Mark Reckless (Rochester and Strood) (Con): In its White Paper, the Home Office said that from 2012-13, the police and crime panels would have the power to trigger a referendum on a policing precept recommended by the police and crime commissioner. When did the Secretary of State decide that that power would be better exercised by herself?

Nick Herbert: I do not accept the premise of my hon. Friend's question. I have committed to meeting him to discuss the issue, but we believe it important both that the panel has the power of veto over an excessive precept set by a police and crime commissioner, which has now been legislated for, and that the public have the ability to reject an excessive precept through the referendum lock. That is the subject of separate measures that are before the House in the Localism Bill.

Police Numbers

20. **Graeme Morrice** (Livingston) (Lab): What estimate she has made of the number of police officers who will be in post in 2015. [78458]

The Minister for Policing and Criminal Justice (Nick Herbert): As I have just explained to the House, we have set a challenging but manageable funding settlement for the police service. It is for the chief constable and the police authority in each force to determine the number of police officers that are deployed given the available resources.

Graeme Morrice: The public disorder of August showed us that police numbers count, along with forces throughout the United Kingdom working closely together on major issues. Does not the Minister see therefore how foolish it is to cut more than 16,000 police officers by 2015—the same number that brought order to London during the summer riots?

Nick Herbert: As I have said, police forces must make savings because we have to deal with the deficit, but they can do so in a way that protects front-line policing. There is no reason why there should be damage to the front line if they drive savings elsewhere. I have pointed out to the House before, and will do so again, that a third of human resources in police forces are not on the front line. Some 25,000 police officers are in back-room jobs. That is where police forces should begin.

Miss Anne McIntosh (Thirsk and Malton) (Con): In making the police settlement and deploying the police's forces, will the Minister ensure that rural police forces have an element of funding related to rurality and sparsity?

Nick Herbert: We do ensure that, and I understand my hon. Friend's concern about the issue. I will, in fact, be speaking about rural crime at an Association of Chief Police Officers conference later this week. It is important that we tackle such matters, and they will all be taken into account when we consider the specific allocations for police forces for the third and fourth years of the spending round.

Jessica Morden (Newport East) (Lab): I am sure the Minister would like to join me in welcoming the 500 extra police community support officers pledged by the Welsh Assembly Government. The ones in Gwent are being recruited at the moment. Does he agree that they will be a really valuable help in tackling antisocial behaviour in Welsh communities, unlike the Government's cuts in front-line policing?

Nick Herbert: If I can ignore the last part of the hon. Lady's question, I will say that PCSOs play an important role in helping to ensure that we tackle crime and maintain confidence in communities. Last week the Home Secretary and I, and the shadow Home Secretary and her shadow Ministers, were able to attend the *Jane's Police Review* community policing awards, which recognised the role of PCSOs and others, and it is important that we continue to recognise that role.

Police Authority Funding

21. **Alun Cairns** (Vale of Glamorgan) (Con): What consideration she has given to the funding formula which allocates funding to each police authority. [78459]

The Minister for Policing and Criminal Justice (Nick Herbert): The police allocation formula is a robust and credible tool for estimating police work load in police force areas. It continues to be used to allocate the majority of central Government funding that goes to police authorities.

Alun Cairns: The South Wales police force area includes Cardiff, which, as a capital city, has additional civic responsibilities, which obviously mean that the police force incurs ongoing costs. Will the Minister agree to look at that factor and to meet me to consider it further?

Nick Herbert: I will continue to look at that factor, and am happy to agree to meet my hon. Friend—other hon. and right hon. Members have met me to discuss that issue. I should point out that forces can bid for funds through special grants for events or unforeseen circumstances. That is restricted to expenditure exceeding 1% of a force's annual budget, but South Wales police has benefited from such awards in the past.

Topical Questions

T1. [78462] **Philip Davies** (Shipley) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Mrs Theresa May): A number of hon. and right hon. Members have referred to reports in the past few days on the UK border force. As the Home Office has already said, a senior official at the UK border force, Brodie Clark, has been suspended for acting without ministerial sanction, but I will make a statement to the House later today.

Philip Davies: Of all the people who were arrested and convicted as a result of the riots across the country in the summer, what estimate has the Home Secretary made of the number who were arrested and charged through the police use of CCTV and DNA?

Mrs May: My hon. Friend is returning to topics that I know he has pursued for some considerable time. Obviously, there was significant use of CCTV. That is why this Government continue to support its use.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I welcome the Home Secretary's decision to instigate an inquiry into border control this summer, which we will discuss shortly, but let me ask her a security question: what is her estimate of the number of people who passed into Britain through our ports and airports this summer under the reduced security and passport regime that the UK Border Agency was operating?

Mrs May: As the right hon. Lady knows, I will make a full statement to the House later this afternoon, and will have a full opportunity to answer her questions then, but I should like to make a few things clear. In the past, under the last Government, some security checks were lifted at times of pressure on the border, including one instance when local managers at Heathrow terminal 3 decided to open controls and no checks were made—not even cursory checks of passports.

To prevent that from happening again and to allow resources to be focused on the highest-risk passengers and journeys, in July I agreed that UKBA could pilot a scheme that would allow border force officials to target intelligence-led checks on higher-risk categories of travellers. We have since discovered that Brodie Clark, the head of the UK border force, authorised the wider relaxation of border controls without ministerial sanction. As I said, I shall make a statement to the House later today and will answer questions on this matter fully then.

Yvette Cooper: The Home Secretary did not answer my question on how many people went through under the reduced security regime, and I am concerned that she does not know. As she will know, previously, both Labour and Conservative Ministers have committed to the roll-out of e-Borders so that proper screening could be available for everyone entering and leaving the country. She seems to be rolling that system back, not forward. When describing the rolling back of checks for EU citizens this summer, a UKBA staff member told me, "We were told not to check children travelling with family groups. That was ridiculous. Supposing a man…had taken them away from their mother and they were wards of court, they would pass through undetected. I have detected many wards of court simply by running them through the warnings index."

The Home Secretary took the decision to reduce the checks for EU citizens this summer. Why did she do so?

Mrs May: As I have indicated to the right hon. Lady, I shall set out exactly what decisions were taken in my statement to the House later today. I indicated in my first answer to her that we were looking at targeting intelligence-led checks on higher risk categories of travellers. She referred to e-Borders, but this has nothing to do with e-Borders. When we took office, we had to stop the contract with the contractor that the last Labour Government agreed for e-Borders because it was significantly behind schedule in putting it in place.

T2. [78463] **Pauline Latham** (Mid Derbyshire) (Con): What steps is the Minister taking to alert parents to signs of grooming being forced on to innocent children by either their family or close friends, which is completely unacceptable?

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): The crime of child sexual exploitation is utterly appalling and reprehensible, and I well understand why my hon. Friend is raising this issue, given the impact that such incidents have had in Derbyshire. I pay tribute to the work of Derbyshire police through Operation Retriever. I note that their work was recognised at the police review event in the past few days. Awareness-raising is done through the Child Exploitation and Online Protection Centre's thinkuknow programme, which delivers prevention messages directly into schools and is helping to raise awareness of this issue among parents and young people.

The Under-Secretary of State for Education, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), who has responsibility for children and families, is developing an action plan to safeguard children and young people from sexual exploitation, which will be published shortly. Raising awareness among parents of this terrible form of abuse will be an important element of that.

T5. [78466] **Mrs Madeleine Moon** (Bridgend) (Lab): South Wales police have an excellent programme for tackling domestic violence, working with local authorities, health authorities and voluntary groups. What new advice and guidance will be issued to them following the statement from the Under-Secretary of State for Justice, the hon. Member for Huntingdon (Mr Djanogly), that the Government did not consider an investigation by the police or the police having been called out as providing sufficient clear objective evidence that domestic violence had occurred?

The Minister for Equalities (Lynne Featherstone): We will be asking the, the idea that the police—I am sorry, but I did not hear the question properly. I apologise. Is the hon. Lady asking about the evidence needed to get legal aid for legal advice on domestic violence? I apologise to her. I did not hear the question.

Mr Speaker: We must move on.

T3. [78464] **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): In welcoming the latest departmental developments regarding the police crime mapping website, which my constituents are beginning to learn to use, does the Minister agree that this marks the beginning of a real step-change improvement in police transparency and hopefully accountability to local communities?

The Minister for Policing and Criminal Justice (Nick Herbert): I strongly agree with my hon. Friend. POLICE.uk, our street-level crime mapping website, has received more than 430 million hits since its launch at the beginning of the year, which translates to well over 40 million visits. We are adding new information on crime types and, from next year, justice outcomes. It is an important part of our transparency programme, and it demonstrates that the public want, and make use of, this information.

T7. [78468] **Tom Greatrex** (Rutherglen and Hamilton West) (Lab/Co-op): When does the Home Secretary intend to review the definition of an "air weapon" under the Firearms Act 1968?

Mrs May: I shall come back to the hon. Gentleman. *[Interruption.]* I am sorry, but I did not actually hear the question. I understand that he said "air weapons". Is that right?

Tom Greatrex *indicated assent.*

Mrs May: May I write to the hon. Gentleman and set it out to him clearly?

T4. [78465] **Stephen Mosley** (City of Chester) (Con): Organised crime costs the British economy £40 billion a year and affects families, businesses and local communities. What action is my hon. Friend the Minister taking to recover criminal assets and the proceeds of crime?

James Brokenshire: My hon. Friend has rightly highlighted the issue of criminal finances. We are determined that criminal proceeds will be taken away from those who commit these appalling offences. In total, using powers such as asset denial and by targeting money launderers, the agencies involved denied criminals more than £1 billion last year. However, we want to take further action, which is why we are setting up the National Crime Agency, and we also want to make asset-recovery quicker, more robust and more effective in order to address the point that he rightly highlighted.

T9. [78470] **Mr Tom Watson** (West Bromwich East) (Lab): I know that the Home Secretary is reluctant to answer any questions on the UK Border Agency in advance of her statement, but does she accept that 18 months into this Government, the decisions taken on Britain's borders are hers and hers alone, and that she should make no attempt to blame the previous Government for the mess that we see now?

Mrs May: I am willing to stand here and take responsibility for the decisions that I have taken. I only wish that the Opposition were willing to stand up in this House and take responsibility for the decisions that they took when they were in government.

T6. [78467] **Bob Russell** (Colchester) (LD): Please listen carefully; I will say this only once. In the future assessment of police numbers and funding formulae, have any discussions taken place with the Ministry of Defence about the huge cuts in the MOD police? In the case of the Colchester garrison, the last Labour Government managed to cut its 30 officers to three, which has affected the Essex police.

Mr Speaker: I do not think anybody has ever had any trouble hearing the hon. Member for Colchester, even some miles away.

Nick Herbert: As my hon. Friend knows, the MOD police are not the responsibility of the Home Office; they are the responsibility of the MOD. However, I am happy to discuss the matter with them.

Tony Lloyd (Manchester Central) (Lab): The Prime Minister promised that all legitimate claims made under the Riot (Damages) Act 1886 following the recent riots would be paid. I understand that a commitment has been made to ensure that the Metropolitan police will see its money, whereas Greater Manchester police authority is still struggling to get an answer from the Home Office. Can the Home Secretary or one of her Ministers give an answer today?

Mrs May: I am happy to answer the hon. Gentleman on that point. We will indeed cover claims made under the Riot (Damages) Act 1886, but as I am sure he will appreciate, it is necessary to check and verify those claims. We have been generous with the definition that we have used, but there is still a necessary process to go through—for example, to identify the exact value of the property lost.

T8. [78469] **Karl McCartney** (Lincoln) (Con): Is the Minister aware that the average fine in 2010 for people caught driving without motor insurance in Lincolnshire was £213, down from £233 in 2008, when the average cost of fully comprehensive motor insurance premiums for my constituents is around £650, having risen on average by 40% in the same two years? Does he agree that such fines do nothing to dissuade potential or existing offenders from driving without insurance? What plans do the Government have to address the situation?

Nick Herbert: I am grateful to my hon. Friend for raising this serious issue, about which I want to talk to the Department for Transport. Uninsured driving already raises the cost of premiums for honest motorists to the tune of £30. Individual fines are a matter for magistrates, but it is important that we look at this matter.

Paul Goggins (Wythenshawe and Sale East) (Lab): Further to the Home Secretary's reply about the Riot (Damages) Act 1886, if insurance companies are successful in pressing claims for the cost of business interruption, will those costs also be included in the financial settlement?

Mrs May: I do not think that business interruption is being looked at, but I am happy to write to the right hon. Gentleman and set out exactly what we are doing in relation to the Riot (Damages) Act 1886 and what criteria are being followed to ensure that police forces and others are paid the necessary sums.

T10. [78471] **Andrew George** (St Ives) (LD): My constituent Joanne Bryce, whose sister Claire Oldfield-Hampson's murder was uncovered in Cambridgeshire in December 1998, has worked tirelessly to find out why the case has been so appallingly mishandled by the local constabulary, but she and I have been frustrated at every turn. Will the Policing Minister meet me to discuss the issue with my constituent?

Nick Herbert: Yes, of course I will meet my hon. Friend. I appreciate his concern and that of his constituent about the matter; the problem is that the case was investigated by the precursor of the Independent Police Complaints Commission. That is an obstacle, but I will indeed discuss the case with him.

Hazel Blears (Salford and Eccles) (Lab): The Home Secretary has recently launched a consultation on the disclosure of previous convictions of serial perpetrators of domestic violence, following the tragic murder of Clare Wood in my constituency and the courageous campaign by her father, Michael Brown. Will the Home Secretary tell me whether there will be early legislation following the consultation to implement the scheme and prevent further tragic deaths like that of Clare Wood?

Mrs May: It is certainly our intention to act as soon as possible on the basis of the consultation. The right hon. Lady will be aware that certain powers are already available to the police to make disclosures to individuals. The consultation will look at whether further powers are necessary. I, too, pay tribute to Michael Brown for the campaign that he is running. He is very brave to do so in the face of such tragic circumstances.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): One of the worst forms of antisocial behaviour that my constituents tell me about involves people's lifestyles and actions having a really detrimental effect on their neighbours' quality of life. What proposals are the Government bringing forward to help the police and local authorities to deal with this problem?

James Brokenshire: As my hon. Friend has rightly said, these are local issues that deserve local solutions. There has been a consultation on speeding up the eviction of antisocial tenants; it closes today. The rights of a tenancy bring with them responsibilities, and we will be reflecting on that consultation in due course, once the responses are finalised.

Katy Clark (North Ayrshire and Arran) (Lab): What mechanisms, if any, are being put in place to ensure that staff and their representatives are given an opportunity to express their concerns about problems with the functions of the UK Border Agency?

Mrs May: I can assure the hon. Lady that we are always willing to hear from members of staff about any concerns that they might have, and about any proposals for the better operation of the UK Border Agency. Indeed, I was in Turkey only a matter of days ago, listening to those who were making visa decisions in the embassy there, and hearing directly from them their concerns and their ideas for making things better.

Several hon. Members *rose—*

Mr Speaker: Last but not least, Mr Robert Halfon.

Robert Halfon (Harlow) (Con): Following an illegal encampment of 13 caravans in Harlow town centre at the weekend, Essex police have refused to be the lead agency in removing the trespassers because they are following Association of Chief Police Officers guidelines. Will the Minister confirm that ACPO guidance is no substitute for the police enforcing the law, rather than forcing Harlow council to go through a lengthy court process?

Mrs May: My hon. Friend raises an important issue. First, however, may I commend Essex police for the action that they took alongside Basildon council in the operation at Dale Farm? We are looking at whether we need to give the police extra powers in relation to the clearing of encampments and other incursions on to land. Currently, assuming that the incursion is not stopping the normal life of the community, the landowner has to take legal action. If it is stopping the normal life of the community, the police do have some powers. This matter concerns a great many people, and we are actively looking into it.

G20

3.32 pm

The Prime Minister (Mr David Cameron): With permission, Mr Speaker, I would like to make a statement on last week's G20 summit. There were three key aspects to the summit. First, agreement on an action plan for growth and jobs, with specific countries agreeing to do specific things in order to maximise overall growth in the world economy. Secondly, the G20 continued with its work to identify and remove some of the key obstacles to growth, including imbalances between surplus and deficit countries, to stop the slide to protectionism, to improve global governance, and to protect the world's poorest from the current economic problems. Thirdly, there was, of course, the main issue of instability in the eurozone. Let me take each in turn.

First, the action plan for growth and jobs. This includes many of the things that Britain is already doing, from fiscal consolidation and monetary activism to removing the barriers in the way of business and job creation. The G20 recognised yet again the importance of implementing

"clear, credible and specific measures to achieve fiscal consolidation."

It also clearly identified a group of countries that have the space to borrow for additional discretionary measures. I have to tell any Members of the House who would like to see the UK borrow more that no one was proposing that the UK should be in that group of countries. We are determined to deal with our debts, not to leave them to our children and grandchildren. The need to press on with our plan for fiscal consolidation has now been recognised by the G20, as well as by the International Monetary Fund and the OECD.

Secondly, obstacles to growth. The imbalances that did so much damage in the run-up to 2008 are growing again. This matters, because if we are to maximise global growth and avoid some of the speculative bubbles of the past, countries with a trade surplus need to increase domestic demand and ensure that they keep their markets open, while those with a trade deficit have to undertake structural reforms to improve competitiveness. There was some real progress. For instance, Russia is making changes to its foreign exchange regime, and China agreed to increase its exchange rate flexibility. Both of those are reflected in the communiqué, but more needs to be done.

The greatest mistake that the global economy could make is to enter into a slide towards protectionism. The World Trade Organisation report sets out all the protectionist measures that have been taken in G20 countries over the last year, and they are a cause for concern. So the G20 reaffirmed its pledge not to take protectionist actions, committed again to roll back any new protectionist measures that might have arisen, and reaffirmed its determination to refrain from competitive devaluation of currencies. We also welcomed the fact that Russia, the last G20 country outside the World Trade Organisation, is now set to become a member of the WTO by the end of the year.

On Doha, I have said it is time to look at working with groups of countries in so- called "coalitions of the willing" to drive new trade deals. Together with five other G20 leaders, I wrote to President Sarkozy ahead of the summit to call for new and innovative approaches to trade liberalisation. That is what was agreed in the communiqué.

On improving global governance, I presented a report, which I am placing in the Library today. We secured agreement for the key proposals. First, we agreed that the G20 should continue as an informal, flexible gathering rather than attempting a complete reordering of the system of global governance. What is needed is not new institutions, but political will. Secondly, we agreed that we should make the now established Financial Stability Board a separate legal body to give it the authority and capability that it needs. Thirdly, we agreed that we should strengthen the WTO's role as the guardian of the world trade system. Further progress was also made on cracking down on tax havens and tax evasion and on having a proper regulatory system for banks to make up for the woeful system that has existed in so many countries, including ours, over the last decade.

On development, Bill Gates gave a presentation suggesting ways of mobilising resources to help the world's poorest. This included helping some developing countries to help themselves through proper systems for collecting taxes and transparent revenues for natural resources. At the same time, he gave strong support to the UK's own record on the development agenda.

On the financial transactions tax, I have been clear all along that we are not opposed in principle to such a tax if one could be agreed at the global level, but we will not unilaterally introduce a new financial transactions tax in the UK. Neither will we support its introduction in the European Union unless it is part of a global move. Britain has introduced a bank levy and we are meeting our global agreements on overseas aid. If other countries want to introduce new financial taxes at home, including to raise revenue for development, that is for them to decide. What they should not do is try to hide behind proposals for an EU tax as an excuse for political inaction on meeting targets, whether they be for spending on development or, indeed, climate change.

The current proposals for a financial transactions tax in Europe are so deeply confused that different European countries, and indeed European institutions, have talked about spending the revenues of such a tax in five different ways: on development, on climate change, on social policy, on resolving the banking crisis, and, most recently, as the best way to supplement the EU budget. I have to say that that would be a bit of a stretch even for Robin Hood.

Let me turn, finally, to the problems in the eurozone. It is clearly in our national interest for the eurozone to sort out its problems. As the Chancellor has said, the biggest single boost to the British economy this autumn would be a lasting resolution to the eurozone crisis. That is why Britain has been pressing the eurozone to act—not just at the G20, but for many months. The deal in Brussels 10 days ago was welcome progress, and it reflected the three essential elements that Britain has been calling for: first, reinforcement of the bail-out fund by eurozone countries to create a proper firewall against contagion; secondly, recapitalisation of weak European banks; and, thirdly, a decisive resolution to the unsustainable position of Greece's debts.

The Euro area countries now need to do everything possible to implement their agreement urgently. Of course, the rest of the world can play a supporting role, but in the end this work has to be done by the eurozone countries themselves. No one else can do it for them. As I have said before, Britain will not contribute to the eurozone bail-out fund—whether that be through the European financial stability facility or a special purpose vehicle. And while the International Monetary Fund may administer a fund, it cannot and will not contribute to it.

The IMF does, however, have a vital role to play in supporting countries right across the world that are in serious economic distress. There are 53 countries currently being supported by the IMF, of which only three—Greece, Ireland and Portugal—are in the eurozone. It is essential for confidence and economic stability that the IMF has the resources it needs. So, at the G20, Britain, the US, China and all the other countries round the table made it clear that we are willing in principle to see an increase in IMF resources to boost global confidence. There was no agreement about the timing, the extent or the exact method through which this could be done. However, Britain stands ready to contribute within limits agreed by this House. Those who propose that we walk away from the IMF, or who oppose even the increase in IMF resources agreed by the last Government, are not acting responsibly or in the best interests of Britain.

It is in our national interest for countries across the world that are in distress to be supported in their efforts to recover. The collapse of our trading partners, whether in the eurozone or not, would have a serious impact on our economy. Businesses would not invest, British jobs would be lost, and families across Britain would be poorer. Through the IMF, we can help other countries in a way that does not affect our own public finances—but let me be clear: it is for the eurozone and the European Central Bank to support the euro, and global action cannot be a substitute for concrete action by the eurozone. The G20 withheld specific IMF commitments at this stage precisely because we wanted to see more concrete action from eurozone countries to make their firewall credible and to stand behind their currency. In short, the world sent a clear message to the eurozone at this summit: "Sort yourselves out and then we will help, not the other way round."

These are very difficult times for the global economy. The Government are completely focused on one objective: to help Britain to weather the storm and safeguard our economy. Because of the tough decisions that the Government have already taken to get to grips with our deficits, Britain has avoided the worst of this stage of the global debt crisis. In 2008, under the last Government, UK bond yields were about the same as those in Greece; today, although we have the second highest deficit in the EU—second only to Ireland's—our bond yields are almost the same as those in Germany, and around the lowest that they have been since world war two. That is because we have a credible plan to deal with our debts, and the resolve to see it through. The situation in Italy further emphasises the importance of a credible plan to deal with debts and ensure confidence in the markets more generally.

The eurozone must now do what is necessary, and see through the agreement that it reached in Brussels 10 days ago. Britain, and all our G20 partners, will continue to press for that to happen. I commend my statement to the House.

Edward Miliband (Doncaster North) (Lab): I thank the Prime Minister for his statement, but I have to say to him—what a complacent statement from an out-of-touch Prime Minister! Anyone listening to him would think that the G20 summit had been a great success, but it was not.

Let me ask the Prime Minister about the three areas in which the summit should have made progress: the eurozone, reform of our banking system, and economic growth. On the eurozone, the Chancellor said in mid-September:

> "'The eurozone has six weeks to resolve this political crisis."

The six weeks are up, but there is no clear solution on financing. How much, from whom, and in what circumstances? None of those questions are being answered. Now we see the crisis in Greece spreading to Italy, and no plans for jobs and growth—just more austerity.

Can the Prime Minister tell us why European and G20 leaders failed to find a solution to the problems of the eurozone? Given that the Chancellor told us from Cannes that he and the Prime Minister were

> "right at the heart of the discussions here",

people will be struck by the Prime Minister's tone today. Progress that was made at the summit was, of course, down to him—and, as always with this Prime Minister, failure is nothing to do with him.

Does the Prime Minister not now regret that he did not try harder and earlier to engage in the discussions and push for an agreement, rather than standing aside and claiming that Britain was a "safe haven"? If we were indeed at the heart of the discussion, can the Prime Minister say what responsibility he takes for the failure of the eurozone? Given the importance that all this has for Britain, can he tell us specifically what he plans to do in the coming days to secure an agreement?

Let me turn to the funding for the IMF. The Prime Minister said in his press conference on Friday, and again today,

> "you can't ask the IMF or other countries to substitute for the action that needs to be taken within the eurozone itself."

We agree with that position. The sensible step of increasing resources for the IMF should not be taken to make up for inadequate eurozone action.

The Prime Minister has said that he would not support the direct use of IMF resources to top up the European financial stability facility, but can he also categorically rule out the use of IMF resources indirectly, in parallel, to make up for insufficient funding from the EFSF or the European Central Bank? Can he also square his position that his commitment is within agreed resources with the comment of the managing director of the IMF that there is "no cap…no ceiling" on IMF resources?

Let me turn to the issue of banking reform, and specifically the global financial transactions tax, which we support and believe should be implemented if we can reach agreement in all the major financial centres. It was on the agenda in Cannes, although no real progress was made. I have to say I could not tell from his statement whether the Prime Minister really supports it; after all, "not opposed in principle" is hardly a ringing endorsement. I do not think we should be surprised, because the week before the summit negotiations had even started, the Chancellor was writing to business leaders casting doubt on whether any such mechanism

[Edward Miliband]

offers an efficient way to raise revenue. So can the Prime Minister tell us whether he actually argued for a global financial transactions tax at the summit, and can he tell us what steps he will be taking in the weeks and months ahead to advance its cause?

Turning to growth, the first substantive paragraph of the communiqué states:

> "Since our last meeting, global recovery has weakened, particularly in advanced countries, leaving unemployment at unacceptable levels."

That is certainly true in this country, where growth has flatlined and unemployment is at a 17-year high. So does the Prime Minister understand why people are so disappointed by the failure of the summit?

The Prime Minister talks about the words in the communiqué about trade and imbalances, but action on trade and imbalances will take years to implement. He also mentions undertakings by various countries who have scope to take action, but it is a very important point in the communiqué that they will be implemented only if

> "global economic conditions materially worsen."

People around the country will be wondering: how much worse do they need to get for action to be taken? He says, by the way, that nobody is arguing for Britain to change course, but the IMF said only last month that if the British economy continues to undershoot, the Chancellor should do just that. How much longer does the country have to wait for him to change course?

After the April 2009 G20 summit the Prime Minister said:

> "The glitz and glamour of this week must seem very remote to the small businessman who still can't secure the credit to stay afloat—or the mother worrying if she'll be able to keep a roof over her children's heads."

The 2009 G20 summit succeeded, and this one failed. For the young person who is unemployed, for the business that has seen demand for its goods disappear, and for the shops that have seen people leaving the high street, this summit achieved precisely nothing. That is why the Prime Minister looks so out of touch when he claims that the summit has made a difference on growth. But is not the real problem this: the Prime Minister does not really believe that we need a global plan for growth? He thinks the answer for the world is collective austerity, just as he used to claim that the answer is austerity at home.

People wanted action from this summit, and they did not get it. Those struggling to find work, seeing their living standards squeezed, asking why the economy is not working for them, deserve better. Is not the truth that this is a do-nothing summit from a deeply complacent Prime Minister, out of touch with the real needs of our economy?

The Prime Minister: Honestly, I do not know who writes this rubbish! I liked the bit when the right hon. Gentleman quoted my response to the 2009 summit: I have to say that if the 2009 summit was such a success, why did the Labour party vote in the House of Commons against one of its key conclusions—the idea of increasing IMF resources? He talks about regulating banks, with no recognition of the failed regulatory system that he oversaw for a decade. He talks about the eurozone, with no recognition of the fact that Labour had a "national changeover plan" to get the whole of Britain to adopt the euro. Above all, let us be clear: if we had listened to his advice, we would not have been in Cannes discussing a Greek bail-out; we would have been at the IMF discussing a British bail-out.

Let me remind the right hon. Gentleman of the figures. In 2008 Greek and British bond yields were both 4.5%. Since then, in the UK that rate has halved, whereas in Greece it is up by six times. That is because they did not have a credible policy for deficit reduction, and we do.

Let me come back to the issue of the IMF, because what we are seeing from the Labour party is breathtakingly irresponsible. Let us be clear about its position on the IMF, and let us remember that that is an organisation founded by Britain, in which we are a leading shareholder, and also an organisation that rescued us from Labour in the 1970s. Labour's position is, first, to vote against the increase in resources agreed by the G20 under their own Government. They called it a "triumph" at the time, yet Labour Members trooped through the Lobby in a complete display of opportunism. But it gets worse, because now they are saying that they do not want IMF resources for any eurozone country. Are they saying that they want to take the money from Ireland and Portugal? They would have turned up at the summit, where every country was talking about increasing IMF resources, and said that on no account would Britain support that. How ridiculous. They are saying to eurozone countries, which also contribute to the IMF, "You're never, ever allowed to seek its assistance." If they meant that, I would take it seriously—but this is all about politics: they are putting the politics ahead of the economics. We know that that is the case with the shadow Chancellor: he only ever thinks about the politics. The question for the leader of the Labour party today is: are you a bigger politician than that? I am afraid that the answer is no.

Sir Peter Tapsell (Louth and Horncastle) (Con): Did Chancellor Merkel tell my right hon. Friend why the European Central Bank is not fully discharging its duties as the euro's lender of last resort? It is not providing massive quantitative easing, not moving towards near-zero interest rates and not urging President Sarkozy to renationalise the leading French banks before the credit crunch closes on France. Chancellor Merkel knows very well that it was not inflation but high unemployment which, in my lifetime, brought down the Weimar republic, and will do the same for the European Union.

The Prime Minister: My right hon. Friend speaks hugely powerfully about this issue. He is right that we must not allow the IMF to substitute for what the ECB and the other institutions of the European Union need to do; that is vital. It was one of the reasons why, in the end, all the countries of the world that were prepared to see an increase in IMF resources wanted to see more done by the eurozone and by the ECB. I have discussed this with Chancellor Merkel on many occasions. My right hon. Friend will know as well as I do of the huge hold-back that there is in Germany about what a central bank is, and what it should do. But I do believe that, as it says in the communiqué, you have got to have the institutions of the eurozone fully behind the currency in order to save it.

Mr Alistair Darling (Edinburgh South West) (Lab): Understandably, the Prime Minister is putting a brave face on what happened last week. On any viewing, the G20 failed to reach its aims on growth, on the imbalances or on the eurozone crisis, which is as bad now as it was a few days ago. I see that there were reports that the G20 is planning to meet again, perhaps as early as in the remaining part of this year or at the beginning of next year. Is that right? If so, would the Prime Minister bear it in mind that in some ways, no summit is better than another failure? The G20 may not be perfect, but it cannot afford another meeting where it singularly fails to come up with the goods.

The Prime Minister: The right hon. Gentleman is entirely right: meetings that do not have a proper conclusion can often add to the problem rather than solve it. What is required is the political will for eurozone countries to act. I was very clear after the G20 meeting that it had not achieved a breakthrough on the euro—that is absolutely clear. Some progress has been made in terms of establishing the three elements that need to be put in place—the firewall, the recapitalisation and the Greek write-down—but much more has to be done. There may well be a meeting of G20 Finance Ministers, but I agree with the point that the right hon. Gentleman makes: it is progress and resolution of these issues that is required, rather than another meeting.

Several hon. Members *rose*—

Mr Speaker: Order. Given the intense interest in this statement and the fact that there are two further statements to follow, brevity is essential.

Mr Andrew Tyrie (Chichester) (Con): The European Commission has estimated that implementation of the financial transactions tax would reduce gross domestic product in the euro area by 1.8%. Of course, that would hit the UK disproportionately hard at a time when we need more growth, not less. Does the Prime Minister agree that, of all times, now is not the appropriate moment to consider such a controversial measure?

The Prime Minister: It is important for people to see the European Commission report on the financial transactions tax, which shows the figures that my hon. Friend talks about, and shows that it would cost jobs. As I have said, if we could achieve global agreement for a tax of that nature there would be a case for it, but it is very hard to see that happening. I think that the focus of politicians in Europe should be to meet the promises they have already made about development rather than to hide behind a financial transactions tax that they know is very unlikely to come into being.

David Miliband (South Shields) (Lab): The frustration and impatience that the Prime Minister expressed on Thursday and Friday last week were extremely well merited, and it would be as well if he came here and repeated his concerns about the failure of leadership across Europe at this vital time. In that context, though, is it not a tragedy that when Europe does need a voice for reform—for example, on budgetary policy, which is going to be a major issue in coming years—he has dealt himself out of the game with a focus on the repatriation of powers, which, frankly, is not the issue that is going to make or break the European economy?

The Prime Minister: I do not agree with the right hon. Gentleman, for this reason: I have managed to assemble a coalition for budgetary restraint in the European Union, and this year Britain, France, Germany and others have all agreed to freeze the EU budget in real terms. I would like to go much further, but I have to say that a freeze in the budget in real terms is not something we have been able to achieve in recent years, and is a breakthrough, so I do not accept the point about looking at rebalancing powers in Europe and fighting for a deal on the budget. We can do both.

Mr William Cash (Stone) (Con): Given that the single market, including the City of London, is governed by qualified majority voting, how does the Prime Minister propose to achieve a majority to protect our interests in the context of the fiscal union that he advocates?

The Prime Minister: First, we need to disconnect the issues that my hon. Friend raises. The issue of the single market and the threat to the City of London and Britain's financial services is a real threat. We have to work extremely hard to build alliances in the single market and in the European Council to stop directives that would damage our interests. I think it is extremely important that we do that work. Financial services matter hugely to this country, and this is one of the areas that I want to ensure we can better safeguard in future.

I do not support fiscal union. I do not think that Britain ought to join a fiscal union, as I do not think that is the right move for us. However, we have a single currency that is quite dysfunctional, and one way in which it could be made more functional is greater fiscal union. That is a statement of fact rather than our saying that we want in any way to join it: we do not. We want to safeguard the interests of Britain by making sure that the single market works for us.

Glenda Jackson (Hampstead and Kilburn) (Lab): Is it really in the best long-term interests of this country for the Government consistently to present the United Kingdom as the neighbour from hell with regard to the European Union—not least with regard to the Tobin tax? The issues on which the European Union wishes to spend money are the issues on which the Prime Minister's constituents and mine, and citizens around the world, wish to see money spent—not least on alleviating suffering in the third world and on climate change. Will he change his mind on this issue?

The Prime Minister: With great respect to the hon. Lady, this Government—and to an extent the Governments whom she supported—have made and kept promises about things that our constituents care about, such as development and climate change. We are meeting those. As for being a good neighbour, one of the most unneighbourly acts someone could perform when the whole world is looking at growing the resources of the IMF to safeguard the global economy is to walk away from that and vote against it—something that I know

[The Prime Minister]

that quite a lot of Labour MPs, probably including some on the Front Bench, are rather ashamed of. Such an act would show them to be not only not a good neighbour, but on another planet.

Mr John Redwood (Wokingham) (Con): As there is a danger of the euro crisis now spreading to Italy, can the Prime Minister tell me what the leaders of euroland have said they will do by way of buying Italian bonds or offering subsidised loans to Italy to head off the crisis in the market there?

The Prime Minister: My right hon. Friend asks an important question. It goes back to the question that the Father of the House asked, about the actions of the ECB. The ECB has been intervening in markets and buying bonds of countries that are under pressure. That is what makes it so difficult to understand why some in Europe are so opposed to the ECB being more of a monetary activist, if I could put it that way. The key with Italy—everyone should be careful about speculating about another country—and the point I made in my statement is that Italy must demonstrate that it has a credible fiscal path. That is as much about the confidence of the markets that it will be able to pay its deficit and pay its debts. If it can do that, its interest rates will fall.

Kelvin Hopkins (Luton North) (Lab): The door marked "Exit from the eurozone" is now clearly in view and a number of eurozone states are moving inexorably towards it. Is it not obvious that until those states can recreate their own national currencies and find an appropriate parity for those currencies, they will not recover?

The Prime Minister: The hon. Gentleman refers principally, I think, to Greece. That is an issue that the Greeks have to decide themselves. They have been offered a deal that writes down their debts and can enable them to stay in the single currency; it is their decision whether to take that road or to take another road. The only thing I would say to Members of the House who are deeply sceptical about a single currency, of whom I am one, is that we should be very careful to recognise that countries leaving a single currency can cause all sorts of knock-on effects and problems for other economies, including our own. We should not see it as some sort of painless easy option for a country to fall out of the euro. It would have very real consequences for other countries, including our own, and we have to think about that in that context.

Simon Hughes (Bermondsey and Old Southwark) (LD): Given the role that the big banks played by being overstretched and therefore triggering the present financial crisis, can the Prime Minister tell us what progress he made in persuading his colleague countries in the G20 to follow the proposal that we made and that the Vickers commission recommended to break up the banks that are too big to fail, so that in no economy are the big financial institutions able to hold a gun to the state and to the taxpayer?

The Prime Minister: Obviously, many people will comment on the ultimate failure of the G20 to resolve the eurozone crisis, but the G20 has made good steps forward in areas such as trying to roll back protectionism, and particularly on the issue that the right hon. Gentleman raises about globally significant financial institutions and the impact that they can have. The approach that Vickers recommends is fully in tune with what other G20 countries are recommending.

Mr Dennis Skinner (Bolsover) (Lab): Does the Prime Minister realise that the British people out there are listening to the sheer effrontery of this British Prime Minister suggesting a growth plan for Greece, Italy, Spain and Portugal, while here at home he sticks rigidly to high inflation and mass unemployment? Hypocrisy by the bucketful!

The Prime Minister: That probably sounded better in front of the mirror than when the hon. Gentleman got to the Chamber.

Michael Fallon (Sevenoaks) (Con): Does my right hon. Friend agree that one of the biggest single fillips to global growth would be breaking the deadlock over the Doha round? Can he say how confident he is now that the approach of willing coalitions will help make progress on this issue under the Mexican presidency?

The Prime Minister: I thank my hon. Friend for that question. The point about Doha is that it is not progressing in the way that it was meant to. There is a gridlock between many of the developing countries and, particularly, countries such as America that do not see enough in the round for them. So it seems that the only way forward, if we want to see more global trade deals that are good for all those participating, is to have coalitions of the willing—countries that want to push ahead. That is what has been sanctioned at the G20, and that is what we can now push ahead with.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Greece, Spain and Portugal already are, and Italy probably is, insolvent within the European monetary union. None of these countries is likely to regain its competitiveness while it is part of the single currency. Does the Prime Minister not think it would be better for the IMF to give them extra funds only once they have left the single currency, rather than while they are part of the EMU?

The Prime Minister: The hon. Lady makes an important point, but it is not necessarily fair to lump all those countries together. Some of them, such as Italy, have huge deficits in terms of the ratio of debt to GDP, but have managed to compete within the single currency, so I am not sure that the way in which she groups those countries together is entirely fair. The important role of the IMF is not to support a currency system, not to support the eurozone, and not to invest into a bail-out fund. The IMF has to be there for countries in distress. That is why everyone in the House supported, for instance, the IMF programme that went into Ireland. The IMF went in as a partner of other countries, but it did go in. If she turns her question round the other way, it would be extraordinary, would it not, to say to eurozone countries, "You are shareholders in the IMF, you contributed to the IMF, but when you're in distress you can't get any money from the IMF at all"? That would be an extraordinary position—but it is one that seems to have the support of those on the Labour Front Bench.

Mr Edward Leigh (Gainsborough) (Con): Has not the avoidance of a concentration of political and economic power on the continent been a cardinal feature of British foreign policy for 300 years? How then is it in our interests to facilitate the creation of a single fiscal and monetary union that will have enormous power over us, but over which we will have very little influence?

The Prime Minister: My hon. Friend asks a question with a broad historical sweep. We are suffering at the moment from a single currency that we are not a member of, but that has some serious structural faults. It is in our interests that those faults are resolved, and one way of helping to do that would be to have a greater pooling of fiscal sovereignty among the members of the single currency. I always felt that that was necessary and was going to happen, which is one reason why I never supported the single currency. However, I do not think that we can stick happily with the status quo when the single currency is having a chilling effect on our economy, through the crisis, and not seek some sort of resolution.

Keith Vaz (Leicester East) (Lab): A few years ago the President of Yemen was invited to the G20, but the country now has the world's third highest rate of malnutrition. What additional help can Yemen be given as a result of the G20 meeting? Would the Prime Minister be happy for some of the IMF money he has just given to go to Yemen?

The Prime Minister: First, we have not yet given any IMF money. There was no agreement on how much should be given, exactly when it should be given or in what way. The world was saying that it stood ready to support the IMF. The IMF has supported countries like Yemen in the past and, as the right hon. Gentleman knows, we have put development aid into Yemen. The biggest challenge in Yemen is the lack of effective governance, and I think that what Bill Gates was talking about—proper systems for raising taxes and for transparency in Government revenues and in revenues from extractive industries and minerals—are the keys to helping such countries along their way.

Mr Douglas Carswell (Clacton) (Con): Back in July the Financial Secretary to the Treasury told a Committee of this House, with regard to IMF obligations:

> "We have an agreement to fund up to £20 billion, broadly speaking."—[*Official Report, Second Delegated Legislation Committee,* 5 July 2011; c. 9.]

Pretty broad, it turns out. We now hear that the figure is closer to £40 billion. Does my right hon. Friend agree that it is vital to level with the British people, with no weasel words or sophistry, and that Ministers have an obligation to be absolutely straight about what they plan to do with other people's money?

The Prime Minister: Let me be absolutely clear about this. There are two sorts of money that the UK provides to the IMF: money through our quota, which is effectively through our shareholding, and money through loans and other arrangements. There have been three votes in this House in the last three years on all the elements of the IMF money. As I have said, if it comes to giving extra support for the IMF, we want to do that within the headroom that has been set.

Mike Gapes (Ilford South) (Lab/Co-op): Are we not really dealing with a sophisticated form of Russian roulette, in which the Prime Minister tells us on the one hand that he does not think that it is right for eurozone countries to have their funding from the IMF cut off, but says on the other hand that at this stage there should be no additional money from the IMF? When will the stage be right for that additional IMF money?

The Prime Minister: There are 53 IMF programmes around the world, only three of which are in the eurozone, so in part it is a judgment for the IMF about when it needs to replenish its resources. Let me be clear about what needs to happen in the eurozone countries. They have to sort out the problems of the euro: they need that firewall, and it is Europe that effectively has to provide it. They need that recapitalisation and the demonstrable and clear write-down of Greek debts. Those are the things that they have responsibility for. We have responsibility, as an IMF shareholder, for bulking up the IMF finances at the right moment. I do not see that as Russian roulette; it is just very sensible economics and politics.

Louise Mensch (Corby) (Con): Can my right hon. Friend tell the House what advice he has received on the consequences of failing to pay our IMF subscriptions, as so irresponsibly advocated by the Opposition?

The Prime Minister: My hon. Friend makes a very good point. I am not entirely sure what would have happened if we had turned up at the G20 having voted down the deal from the London G20 on increasing the IMF resources. First of all, we would have declined to implement one of the key findings of the last G20, and then we would have turned up and said that we were not prepared to see any increase in IMF funding for anything else. Britain would have been completely isolated and left out. The reason why the Opposition are talking about this is that it is all about the politics and nothing to do with the economics, and they know it.

Stewart Hosie (Dundee East) (SNP): The Prime Minister said that the UK would not fund the EFSF, but it remains one of the eurozone's most powerful tools, and there are two new powers proposed for it—to insure newly issued sovereign debt, and to spin out investment trusts to buy that debt. Do the Prime Minister and his Government believe that those powers will be enough to leverage the EFSF up to the €1 trillion or so required to give it the firepower that it needs?

The Prime Minister: There are still real difficulties with that. The EFSF and the idea of a special purpose vehicle were set out at the eurozone meeting 10 days ago, but the problem is that since then we have not seen enough detail on how exactly those funds would work and how they would be levered up. You need—I have used "bazooka" before—a bazooka big enough to convince people that you will not have to use it, and that is what the eurozone needs to do, but it has not yet completed that work.

Several hon. Members *rose—*

Mr Speaker: Order. In the interests of accommodating more colleagues, I now appeal for single, short supplementary questions and the Prime Minister's characteristically pithy replies.

Dr Julian Lewis (New Forest East) (Con): Why does the Prime Minister seem to think that the Greeks will be any more successful at staying in the euro than we were at trying to remain in the ERM?

The Prime Minister: One of the few advantages of the ERM was that you were able to get out of it, but one of the issues with the euro is that there is not a mechanism, properly and legally, for leaving it. If a country wanted to leave the euro, of course it could, but in the end this is an issue for the Greeks. They have to decide: do they accept the deal on the table that cuts their debt, and stay in the euro, or do they take a different path? The point I have been making is that they have to make up their mind for the rest of the world to move on.

Jeremy Corbyn (Islington North) (Lab): Was there any discussion at the G20 about the unaccountable power of the rating agencies to decide the future of national economies, or about the massive profits being made on short-term loans out of the poverty and austerity of Greece, Portugal, Spain and Ireland—any discussion about control over the banking system, rather than bowing down to it?

The Prime Minister: There were concerns expressed, and they are frequently expressed, about the role of the ratings agencies and the way they are regulated. Sometimes, they come from politicians who have had a particularly rough time with the ratings agencies, but it is very important that we use organisations such as the Financial Stability Board to make sure that we get the answers right, rather than do it according to political fiat.

Mr David Ruffley (Bury St Edmunds) (Con): We must have contingency plans if the eurozone breaks up. Does the Prime Minister agree that Parliament must be given a very early opportunity to scrutinise the adequacy of those contingency plans?

The Prime Minister: My hon. Friend makes an important point, but that is quite a difficult ask, because there is of course important ongoing work on contingency plans, but the more we discuss and speculate on the nature of another country's currency and economy, the more we could damage their interests. So, I will think carefully about what he says, but it might be difficult to air some of those issues in public.

Geraint Davies (Swansea West) (Lab/Co-op): The Prime Minister knows that the IMF currently gives 32.4 billion special drawing rights—about £32 billion—to the eurozone to prop it up, so how can he justify giving more British taxpayers' money to the eurozone via the IMF when there are people starving in Africa and people cannot pay their heating bills in Britain?

The Prime Minister: No country has ever lost money lending it to the IMF. The IMF is, in a globalised world, a vital institution for supporting countries that get into deep economic distress, and, if we were to walk away from it and just to allow trading partners—in the eurozone or outside—to collapse with no one to help them, that would mean British jobs lost and British businesses going bust. It might give you a five-second soundbite on the news in order to try to give you some political advantage, but it would be completely irresponsible.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I agree with my right hon. Friend that Greece's remaining in the eurozone is a matter for the Greek Government, and that there is no free hit for the break-up of the euro, but will he take time to read the Centre for Economics and Business Research paper, which points out that, for Europe as a whole and the United Kingdom in particular, our economy will be growing faster in two years' time if the euro breaks up than it will if we try to keep the currency going?

The Prime Minister: I have seen reports of the piece of work that my hon. Friend speaks about, and perhaps I will have time this evening to read it at greater leisure. We can look at the economic experts and what they say, but there is quite a strong consensus that the consequences of a country falling out of a single currency zone, where banks and businesses are very interrelated, are very serious for all the members concerned. As I say, if it happens, we will have contingency plans in place and we will have to manage them as best we can, but no one—however sceptical they are about the euro—should think there is an easy way for a country to leave.

Sir Stuart Bell (Middlesbrough) (Lab): Now that the Greeks will have a new Government who will ratify the 26-27 October agreements, and as the Group of Twenty is an informal grouping, would it not be appropriate, where there is agreement, for the group's Finance Ministers to get together to help the European financial stability fund put together its firewall under the Sarkozy presidency?

The Prime Minister: The G20 Finance Ministers might have to meet again, but, as I said in answer to the right hon. Member for Edinburgh South West (Mr Darling), only if a new set of arrangements is being put in place. Part of the problem in Europe is that, so often, meetings are scheduled without proper thought about what the outcome will be—about what will be achieved. That has been one of the things that have caused a huge amount of market turbulence over recent months.

Nadhim Zahawi (Stratford-on-Avon) (Con): Figures out today show that EU productivity is falling at its fastest rate since 2009. The only big economy to record an expansion in output per worker is the UK. Why does the Prime Minister think that the United Kingdom can borrow at a 0.5% interest rate for one year's money, compared with 4.7% for Spain and 6.3% for Italy?

The Prime Minister: My hon. Friend makes an important point. First, in getting greater competitiveness across Europe, this is the most important thing that Europe could be doing right now: completing the single market, completing the market in energy, completing the market in services and making sure our economies are competitive. The point he makes about the bond market is vital, too. The fact is that if you do not have credibility, you cannot borrow money at low interest rates, and if you do not have credibility, interest rates go up. That would be the worst thing to hit your economy.

Graham Stringer (Blackley and Broughton) (Lab): At summit after summit, the Prime Minister has argued to support a monetary union he does not really think is appropriate for this country and in which he does not believe, so that stability can be brought to Europe and the world. That has failed. How many more failures will it take and how many more summits will there be before he argues for what is really right for Europe: for those countries to return to their original currencies?

The Prime Minister: I have sympathy with the hon. Gentleman's point, which has complete intellectual coherence. The fact is that they could go in that direction, but other European Prime Ministers, Finance Ministers and, indeed, the people in those countries will say that they do not want to leave the euro and that they want to make the euro work. We are affected by what is happening in the eurozone, which is why I keep saying that it is in our interests that they get their act together and make their currency work. You can argue for the opposite, but the fact is that that is what most European countries want and that is what I think they will try to achieve.

Mr Peter Bone (Wellingborough) (Con): I do not know whether the Prime Minister remembers 16 September 1992—golden Wednesday—when the United Kingdom came out of the exchange rate mechanism, which was the start of our economic recovery. Why are the political elite of Europe denying Greece and other euro countries the same mechanism to improve their currency: withdrawal from the euro so they can re-establish their national currency?

The Prime Minister: I learned a very important lesson from our experience in the exchange rate mechanism: never fix interest rates in a way like that because you may need a different interest rate in your economy from that applying elsewhere. That is why I am so completely opposed to Britain ever joining the euro. I could not be clearer about that—unlike the Labour party, which spent 13 years planning and preparing for our eventual admission to the euro. We must allow other countries to make their own choices, and the choice of people in Greece—it is their business—seems to be that they want to stay in the euro. That is not the choice I would necessarily make—or that Mrs Bone, or even Mr Bone, would necessarily make—but that is the choice they seem to want to make and we have to support them in it.

Mr David Anderson (Blaydon) (Lab): Another report came out today from the Institute for Public Policy Research showing that 32,000 jobs in the public sector were lost in the north-east last year while the number of private sector jobs also went down, and the number of public sector jobs in London and the south-east went up. Why should the Europeans trust the action plan from the Prime Minister when his inaction plan in this country is destroying the regions of this country?

The Prime Minister: Of course there has to be a rebalancing of public sector and private sector jobs in our economy, and of course there are difficult circumstances faced by different parts of the country, but in the north-east we have seen the expansion of the Nissan plant, and we have the new Hitachi train plant going into the north-east as well. What we need to do as a country is to become more competitive—to start manufacturing and making things again, which will benefit all the regions of our country.

Tony Baldry (Banbury) (Con): Would not France, among other countries, do rather more to help developing countries if it met its own UN target for international development, as we are doing, rather than exhorting those of us who are meeting our UN targets to sign up to a financial transactions tax?

The Prime Minister: My hon. Friend puts his finger on it. Some other countries are using the cover of a financial transactions tax to get off the fact that they have not met their targets for overseas development assistance. In all the figures that we bandy around about the financial transactions tax, it is worth bearing in mind the fact that around 80% of it would be raised from businesses in the United Kingdom. I am sometimes tempted to ask the French whether they would like a cheese tax.

Mr Ronnie Campbell (Blyth Valley) (Lab): Seeing that the European Central Bank has been told to sit on its hands, obviously by the Germans, is it not time that the Prime Minister reminded the Germans that it was the Marshall plan that saved their country after the war?

The Prime Minister: The European Central Bank is independent; no one is able to tell it what to do. There is a very strong case for saying that the eurozone institutions, including the ECB, need to do more to stand behind their currency and their currency zone, but we have to understand why the Germans feel as strongly as they do, and it is partly based on their history and what they feel went wrong in the 1920s and '30s. None the less, I think that the argument that the ECB and the eurozone institutions need to do more is right.

Margot James (Stourbridge) (Con): Does my right hon. Friend agree that if we were to listen to Labour and ease our deficit reduction strategy, our interest rates would soar towards Italian levels and away from German levels, and will he explain to the British taxpayer what that would be likely to cost in increased interest payments?

The Prime Minister: My hon. Friend makes an important point. It is not just a question of the extra interest payments the Government would have to pay, although that would be pretty crippling for the taxpayer; it is also the fact that those higher interest rates would affect business investment and the mortgages that people pay. We could see a really bad effect on households and business as well as on the Government finances.

Nic Dakin (Scunthorpe) (Lab): When will the G20 show global leadership and produce a plan for growth and a plan for jobs?

The Prime Minister: The point about the global plan for growth and jobs—and the reason it is worth while, and the whole of the G20 process is worth while—is that different countries are committing to doing different things at the same time to maximise global growth. It is

[The Prime Minister]

quite clear that Britain needs to get on top of its debts and its deficit and export more; it is also clear that China needs to grow its consumption, grow its middle class, and import more. If we all do these things at the same time, we will find that we can maximise global growth and increase employment levels too.

Mr David Nuttall (Bury North) (Con): I entirely agree with my right hon. Friend's statement that the UK should not contribute to any further eurozone bail-out fund, but how can UK taxpayers be certain that our contributions to the IMF will not be used for such purposes when the UK has only 4.29% of the vote on the IMF governing body?

The Prime Minister: The IMF has extremely tough and clear rules about when it can and when it cannot lend money. That is why it cannot put, and nor would we support its putting, money into a euro bail-out fund or into a special purpose vehicle. That is not the role of the IMF—that must be the role of the European financial stability facility—but what the IMF can do is lend money and help countries that are in distress. As I said, no country has ever lost money on lending it to the IMF, because it is the senior creditor in all these arrangements.

Mr Andrew Love (Edmonton) (Lab/Co-op): The Prime Minister keeps talking about rebalancing the economy. We have seen a 20% to 25% reduction in the value of the pound, which should have made us competitive, yet the private sector is not taking up the slack because there is no confidence out there. Do we not need another plan to build confidence?

The Prime Minister: The worst thing we could do for confidence would be to abandon the plans to deal with our debt and our deficit, because we can see what is happening in countries such as Italy that do not have a proper plan for getting on top of their debts: they have higher interest rates and all the problems that they bring. The hon. Gentleman is right that we have had a depreciation in our currency that should lead us to be more competitive. If one looks at the export figures from Britain to countries such as India and China, one sees that there is a good increase in our exports.

Harriett Baldwin (West Worcestershire) (Con): My constituents do not want to pay taxes to bail out the euro. Will the Prime Minister remind us who got this country into the permanent EFSF and who got us out of it?

The Prime Minister: None of our constituents wants to pay taxes to bail out the eurozone; that is not what our taxes should go towards. When we came to office we were part of the European financial stabilisation mechanism—the EFSM. I have got us out of that from 2013, but between now and then we are still at risk because of a very bad decision to which the previous Government agreed.

Derek Twigg (Halton) (Lab): If the eurozone continues to fail to deal with the crisis, what actions will the Prime Minister take to protect the interests of the UK?

The Prime Minister: We must put in place contingency plans for any of these countries leaving the eurozone. The hon. Gentleman asks what those plans are. For obvious reasons, if we start to describe exactly what we might have to do, we could set off all sorts of chain reactions. If he wants to discuss privately with a Treasury Minister the elements of any plan, he is at liberty to do so.

Mr Philip Hollobone (Kettering) (Con): Is it the Prime Minister's understanding that were Greece, Italy or any other country to leave the eurozone, it would require a treaty change?

The Prime Minister: I believe my hon. Friend is right that there is nothing in the treaties that allows a eurozone member to leave the eurozone yet stay in the European Union. My sense is that were that to happen, some allowance would be made. He is right to say that that would involve a treaty change at some stage to ensure that it was legal.

Sheila Gilmore (Edinburgh East) (Lab): The Prime Minister has suggested that he is in favour of a global financial transaction tax. That will happen on a global basis only if people take the lead. What my constituents wanted to know when they contacted me was what steps the Prime Minister took at the Cannes summit to promote that tax.

The Prime Minister: I spoke on the financial transaction tax at the session where it was discussed and said that we supported it at a global level. I made a few of the points that I have made in the House today because sitting around the table were the representatives of European countries and institutions, including the European Commission, that have spent this money several times over. When we talk about the European budget, such a tax is given as the great way to raise money for that; when we talk about development, it is given as the way that we will pay for development; when we talk about climate change, it suddenly becomes the magic way to meet all our climate change commitments. Frankly, I do not think that we should allow other European countries to get away with that.

Mr Ben Wallace (Wyre and Preston North) (Con): It is highly likely that China's condition for buying into eurozone debt will be the lifting of the EU-wide arms embargo, which would be directly against Britain's national interests given its defence industry base and the tens of thousands of jobs that are dependent on it. Given that that would require a unanimous decision by all EU member states, will the Prime Minister confirm that the UK Government would veto such a request?

The Prime Minister: We do not support the lifting of the arms embargo. In the discussions at the G20, there was not some sort of shopping list from the Chinese—a rather unfair point that some have made. Clearly, it is in China's interests, just as it is in our interests, that the eurozone crisis is dealt with. China has huge export markets in Europe and it owns huge amounts of European debt. That is why China, like Britain, subscribes to the IMF and will support an increase in its resources.

Mr Wayne David (Caerphilly) (Lab): The Prime Minister has said that the action plan for growth and jobs includes many of the things that Britain is already doing. I can assume only that it is a very thin document. How many minutes were spent talking about job creation at the summit?

The Prime Minister: A great deal of the first day was spent talking about the condition of the world economy, and particularly the fact that economies in the developed world are obviously seeing very low rates of growth. I also had a meeting, I am pleased to report, with the leader of the TUC and other international trade unionists, to discuss specifically growth and jobs, and how we can try to prevent youth unemployment from rising in western European countries. I do not know whether all my predecessors always found time for such meetings at the G20, but I was delighted to have one.

Joseph Johnson (Orpington) (Con): Did the Prime Minister see at the G20 any evidence that eurozone leaders were becoming clearer that it is an entirely fanciful notion to expect China to bail out eurozone countries whose GDP is many times its own?

The Prime Minister: I would not underestimate the huge pressure that the eurozone leaders are under to come up with a solution to the crisis in the eurozone. Clearly some of them have huge ideological difficulties with seeing a greater role for eurozone institutions. I do not think it is completely out of the question that other countries—China, or Saudi Arabia—might at some stage want to contribute to a eurozone fund, not least because the risk would be taken with the eurozone money and not with the Chinese or other money. In the end, however, there is no substitute for the eurozone acting first to sort out its difficulties.

Steve McCabe (Birmingham, Selly Oak) (Lab): Which were the countries persuaded by the Prime Minister that they had space to borrow for what he calls "further discretionary measures"?

The Prime Minister: A list in the action plan for growth and jobs specifically states that countries such as Canada, China and others could borrow more. They are set out in the communiqué, a copy of which is in the House of Commons Library.

Mrs Eleanor Laing (Epping Forest) (Con): Will the Prime Minister reassure the House that he will not take the advice of Opposition Members and increase the deficit to boost growth artificially? The consequent rise in interest rates and inflation would cause enormous damage to small businesses and families right across this country.

The Prime Minister: My hon. Friend is absolutely right. If we went to the G20 summit arguing for a £20 billion increase in borrowing this year, or the increase that Labour supports of £87 billion over the Parliament, at the same time as saying that we were going to get out of the IMF, I think the G20 would conclude that we were completely barking.

Dr Sarah Wollaston (Totnes) (Con): The more a balloon is inflated, the more it hurts when it eventually explodes. Would it not be better for us to help the Greeks default and devalue now rather than later?

The Prime Minister: We have argued very consistently that part of any solution has to be a very decisive writing down of Greek debt, because it obviously cannot afford the level of debt that it currently has. That is the plan that it is being offered. Some would argue that even that is not enough, and that is my hon. Friend's position, but our view has always been that unless the debts are written down significantly, there will not be a proper solution.

Mr Julian Brazier (Canterbury) (Con): My right hon. Friend has rightly argued that fixing the eurozone is a matter for eurozone countries. May I welcome the fact that he has announced that we are making contingency plans for the possibility of that failing?

The Prime Minister: I am grateful to my hon. Friend. As I said, it is difficult to say more about it in the House, but I will discuss with Treasury Ministers whether we can say a little bit more. If Members have contributions that they want to make or concerns about elements of any contingency plan, which would have to be very wide ranging and cover all sorts of different eventualities, they should talk to Treasury Ministers.

Andrew Bridgen (North West Leicestershire) (Con): Does the Prime Minister have an estimate of the liability that the UK would have incurred had we not excluded ourselves from the European financial stability mechanism bail-out fund that the Labour Government supported?

The Prime Minister: One thing that we have managed to keep out of is the European element of the Greek bail-out. That has had two iterations, and we were not involved in the first or the second. The specific idea of using the EFSM to support Greece was batted away by Britain.

Mr Sam Gyimah (East Surrey) (Con): One of the key issues about the eurozone is the need to recapitalise a number of European banks, especially those that are quite weak. What comments can the Prime Minister make about the relative strength of UK banks, and will he say that the UK taxpayer will not have to stump up any more cash to recapitalise our banks?

The Prime Minister: On the current plan for the recapitalisation of European banks, British banks would not require any additional capital because they are quite well capitalised already. There is a concern that needs to be expressed that as the Europeans move to recapitalise their banks, it is quite important that they do not do that purely by shrinking bank balance sheets, and that they encourage banks to find fresh sources of capital so that lending does not decrease in the European Union.

Mr Stewart Jackson (Peterborough) (Con): Are we not in danger of ignoring the political reality of the current situation, which is that saving the euro at almost any cost is in the long-term interests of Germany, but

[Mr Stewart Jackson]

not necessarily that of the taxpayers of the United Kingdom? That being so, surely the ECB and not the IMF must be the lender of last resort.

The Prime Minister: I certainly agree with my hon. Friend's last point. The point about the future of the euro is that we should take a very hard-headed, national-interest view. All the evidence is that a disorderly break-up of the euro would have very bad effects on all the economies within Europe, and bad effects on Britain. One can make longer-term arguments about what it might mean and how things might change but, in the short-term, there is no doubt that when we are trying to secure growth and jobs in this country a disorderly break-up of the eurozone would not be good for Britain.

Kris Hopkins (Keighley) (Con): May I thank the Prime Minister for the thoughtful and constructive leadership that he offered at the G20? The debate has focused quite narrowly on Greece in recent weeks. What is his interpretation of the emerging situation in Italy?

The Prime Minister: We all have to be careful not to speculate on other countries, but the requirement of those who are lending money to Italy is a clear and consistent plan for Italy getting on top of its debts and deficit. When they see that, interest rates will come back down again. However, that is a lesson to any country that if they do not have credibility in the markets, their interest rates can go up quite quickly.

Karen Bradley (Staffordshire Moorlands) (Con): Does the Prime Minister agree that the UK already has a financial transactions tax—one that raises around £3 billion a year? It is just that we call it stamp duty.

The Prime Minister: My hon. Friend makes a very good point. One point that Bill Gates made to me is that if other European countries introduce stamp duty on shares, they might find that they can get to the 0.7% of GDP that they are meant to be giving in overseas development assistance without having a financial transactions tax. If they care about overseas development, as this Government do, that might be quite a good answer.

Several hon. Members *rose—*

Mr Speaker: Order. We have two further statements to follow and programmed business. I am sorry to have to disappoint a few colleagues today, but that is the way it is.

UK Border Force

4.37 pm

The Secretary of State for the Home Department (Mrs Theresa May): With permission, Mr Speaker, I should like to make a statement on the UK border force, an operational division of the UK Border Agency. The border force is responsible for ensuring that only legitimate travellers and goods are allowed to enter and leave the UK, while reducing threats including illegal immigration, drug smuggling and terrorism.

Border force activities include verifying the immigration status of passengers arriving and departing the UK; checking baggage, vehicles and cargo for illicit goods; and searching for illegal immigrants. Border force officers confirm the identity of passengers arriving at the UK border; check passengers against a watch list known as the warnings index; and undertake a visual inspection of passengers' passports. Where a biometric passport is held, the biometric chip, which contains a second photograph, is opened and verified.

Non-EU passengers undergo additional checks. Officers establish whether a visa is required and whether a visa is held. If the passenger has a biometric visa, a fingerprint database check can be made, and officers decide whether the passenger should be granted entry to the UK.

In the past, under the previous Government, some of those checks were lifted at times of pressure on the border. In the summer of 2008, warnings index checks were suspended on European economic area nationals—children and adults—on Eurostar services. At Calais, warnings index checks were suspended on European economic area and UK car passengers—again, adults as well as children were not run against the index. Since 2008, at various ports and airports, that happened on more than 100 occasions.

Officials tell me that once, in 2004, local managers at Heathrow terminal 3 decided to open controls and no checks were made. To prevent that from happening again, and to allow resources to be focused on the highest-risk passengers and journeys, in July I agreed that the UK Border Agency could pilot a scheme that would allow border force officials to target intelligence-led checks on higher-risk categories of travellers.

Initial options had been put to the then security Minister and the immigration Minister in January, who agreed them as a basis for further work. That resulted in proposals for a risk-based strategy coming to me in April. After further work, I agreed an amended and limited pilot scheme in July, which meant that, under limited circumstances, EEA national children, travelling with their parents or as part of a school group, would be checked against the warnings index—designed to detect terrorists and serious criminals—when assessed by a border force official to be a credible risk.

The pilot also allowed, under limited circumstances, border force officials the discretion to judge when to open the biometric chip, which contains a second photograph and no further information, on the passports of EEA nationals. Those circumstances were that the measures would always be subject to a risk-based assessment, that they should not be routine and that the volume of passengers would be such that border security would be stronger with more risk-based checks and fewer mandatory checks than with more mandatory checks on low-risk passengers and fewer risk-based checks for high-risk passengers. The advice of security officials was sought and they confirmed that they were content with the measures.

I want everybody to understand what was supposed to happen under the terms of the pilot. In usual circumstances, all checks would be carried out on all passengers. Under the risk-based controls, everybody's passports would be checked; nobody would be waved through; visa nationals' fingerprints would be checked; all non-EEA nationals' biometric chips would be checked; all adults would be run past the warnings index; all non-EEA nationals would be run past the warnings index; and border officials would be free to use their professional judgment to check the biometric chips of EEA passengers and to check EEA children travelling with parents or a school group against the warnings index.

The pilot was extended on 19 September and was due to end last Friday. The results are not yet fully evaluated, but UKBA's statistics show that, compared with the same period last year, the number of illegal immigrants detected increased by nearly 10%. Last week, John Vine, the independent chief inspector of UKBA, raised concerns with Rob Whiteman, the chief executive of UKBA, that security checks were not being implemented properly. On Wednesday, the head of the UK border force, Brodie Clark, confirmed to Mr Whiteman that border controls had been relaxed without ministerial approval.

First, biometric checks on EEA nationals and warnings index checks on EEA national children were abandoned on a regular basis, without ministerial approval. Biometric tests on non-EEA nationals are also thought to have been abandoned on occasions, again without ministerial approval. Secondly, adults were not checked against the warnings index at Calais, without ministerial approval. Thirdly, the verification of the fingerprints of non-EEA nationals from countries that require a visa was stopped, without ministerial approval. I did not give my consent or authorisation for any of these decisions. Indeed, I told officials explicitly that the pilot was to go no further than we had agreed.

As a result of these unauthorised actions, we will never know how many people entered the country who should have been prevented from doing so after being flagged by the warnings index. Following Mr Clark's conversation with Mr Whiteman, the latter carried out further investigations and on Thursday morning he suspended Mr Clark from duty with immediate effect. The Home Office permanent secretary, the immigration Minister and I were notified of his decision that morning. The pilot scheme, which had been due to end the next day, was suspended immediately, and on Friday two other border force officials, Graeme Kyle, director of operations at Heathrow, and Carole Upshall, director of border force south and European operations, were also suspended from duty on a precautionary basis.

There is nothing more important than the security of our border, and because of the seriousness of these allegations I have ordered a number of investigations. Dave Wood, the head of the UKBA enforcement and crime group and a former Metropolitan police officer, will carry out an investigation into exactly how, when and where the suspension of checks might have taken place. Mike Anderson, the director general of immigration, is looking at the actions of the wider team working for Brodie Clark; and John Vine, the chief inspector, will conduct a thorough review to find out exactly what happened with the checks across the UKBA, how the chain of command in the border force operates and whether the system needs to be changed in future. For the sake of clarity, I am happy for Mr Vine to look at what decisions were made and when by Ministers. That investigation will begin immediately and will report by the end of January. I will place the terms of reference for the inquiries in the House of Commons Library.

Border security is fundamental to our national security and our policy of reducing and controlling immigration. The pilots run by the UK border force this summer were designed to improve border security by focusing resources on passengers and journeys that intelligence led officers to believe posed the greatest risk. The vast majority of those officers are hard-working, dedicated public servants. Just like all of us, they want to see tough immigration controls and strong enforcement, but they have been let down by senior officials at the head of the organisation who put at risk the security of our border. Our task now is to make sure—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting, but the Home Secretary must be heard. I know that these are matters about which Members rightly feel extremely strongly, although in fairness we might note in passing that on Friday Members of the Youth Parliament felt extremely strongly about the five motions on which they spoke, but they listened to each other with courtesy.

Mrs May: Our task now is to ensure that those responsible are punished and that border force officials can never take such risks with border security again. That is what I am determined to do, and I commend this statement to the House.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I thank the Home Secretary for advance sight of her statement and welcome her agreement to establish an independent inquiry. That inquiry must get to the truth, but it should do so considerably more rapidly than by January.

Reports have already reached me from the UK Border Agency today that the shredders are on and that there is a ban on internal e-mails. Will the Home Secretary look urgently into those allegations, and into what documents perhaps are being shredded and what e-mails deleted in the Home Office and UKBA on this issue? It is also important that the inquiry has access to all communications between Ministers, the Home Office and UKBA. The scope must cover the resource pressures facing UKBA. We now know that 6,500 staff are being cut from the agency, including 1,500 from the border force. We need to know what pressures officials were put under to cut corners as a result and keep queues down with reduced staff.

We also need some answers from the Home Secretary now. In questions earlier and in her statement, she could not tell the House how many people came through our ports and airports this summer without proper checks. On average, 100,000 foreign citizens enter Britain every day. UKBA staff have claimed that reduced checks were in place almost daily from August, lasting at least half of the shift. How many people were not checked

[Yvette Cooper]

against the watch list? How many people did not have their biometrics checked? What is the Home Secretary's estimate of whether anyone from the watch list entered Britain at that time? Did any convicted criminals or security suspects enter? The truth is that the Home Secretary does not know. She says that we will never know. Even now, she seems to be doing nothing to find out and assess who has entered the country and what the security risk might be.

The Home Secretary has admitted that she took the decision to reduce checks for EU citizens in July—not checking under-18s against the warnings index or doing biometric checks on EU passports—yet she will know that cases have been identified by border officials involving EU citizens, including people involved in organised crime, people trafficking, falsifying passports or removals of children who are wards of court. She made that decision—not Labour Ministers in the past: this Home Secretary—and that decision is her responsibility. She cannot run away from it or hide behind cases from 2004, long before new systems were introduced. She knows that the intention of Labour—and, we had assumed, Conservative—Ministers was to roll out e-Borders and to put the technology in place so that everyone could be properly screened entering and exiting the country, and not only at quiet times. In fact, the immigration Minister claimed in May that 90% of non-EU flights and 60% of EU flights were covered, but it turns out that he meant 90% of flights in the winter or at quiet times in the afternoons.

The truth is that instead of strengthening the checks year on year, as all previous Ministers had committed to do, this Home Secretary decided to water them down, as official Government policy, even though she never told the House. She has blamed officials for relaxing the checks further than she intended, yet she gave the green light for the weaker controls. She claimed in her statement that she did not intend it to be routine not to check the biometric chip in EEA passports, yet I have a copy of the interim operational instruction that she has refused to publish, which states:

> "We will cease routinely opening the chip within EEA passports, checking all EEA nationals under 18 against the warnings index".

It adds:

> "If for whatever reason it is considered necessary to take further measures, local managers must escalate to the Border force duty director to seek authority for their proposed action."

So the Home Secretary gave agency staff the green light to go ahead and experiment to meet the pressures from queues, and look how far they went. A member of the Border Agency staff said this morning:

> "Every day I let in 10 people who I think there would be a good case against".

How on earth did Ministers not know about this? How on earth could there be continual complaints from staff for months without the immigration Minister or the Home Secretary knowing what was going on? At best, they were deeply out of touch; at worst, they were complicit in a loss of control at our borders.

This Home Secretary is presiding over growing chaos and corner cutting at our borders: Raed Salah was banned from this country by the Home Office, yet he was allowed to waltz in at Heathrow; 100,000 asylum cases have been written off as just too difficult to deal with; Ministers have now given the green light to an experiment to water down, rather than increase, border controls; and the Home Secretary does not even know how many people entered Britain without proper checks this summer. Thousands of people entered without proper checks, and without the Home Secretary having a clue what was going on. It is no good blaming the previous Government, or blaming officials. This is happening on her watch, these are her decisions, and this is her Government's mistake. She needs to get a grip and stop passing the buck.

Mrs May: I must say that I regret that response from the right hon. Lady. There is no more serious issue than border security, but, instead of engaging with the facts, she has chosen to play party politics. She knows that the checks that I approved and the relaxation of checks, which I did not approve, are two very different matters.

Let me take her points in turn. She alleges that the pilot scheme and the unauthorised actions were the result of cuts. I explained the basis for the pilot scheme in my statement. I would remind her that the last Government were planning to cut the UK Border Agency and that it remains the stated policy of her party in opposition to cut the Home Office budget. She mentioned in passing that the House had not been informed about the pilot programme, but it has never been the policy of any Government to notify the House of operational matters such as those. Her own Government did not notify the House when they introduced a risk-based warnings index policy, or when they let passengers through Heathrow without even looking at their passports.

The right hon. Lady suggests that the problem was related not to unauthorised official actions but to the measures that we piloted in July. Let me remind the House again that, as I said in my statement, these measures allowed greater intelligence-led checks to be made against higher-risk passengers. Does the right hon. Lady think that was wrong; if so, why did the last Government introduce a warnings index policy that allowed risk-based checks back in 2007?

Let me remind the right hon. Lady of what I said. The pilot allowed officials in limited circumstances to use their discretion whether to check the biometric chip of EEA nationals and whether to run EEA nationals' children travelling in family groups or school groups against the warnings index. Under her Government in similar circumstances, adults were not run against the warnings index, and on at least one occasion at Heathrow the border was opened up, so no checks were made against inbound passengers. She says that officials at UKBA are telling her that they were suspicious about individuals, yet they were being let through. It was clear in the guidance on the policy that for any EEA national or EEA national child against whom suspicion was felt, the officer should do the necessary biometric chip checks or warnings index checks.

The right hon. Lady asked whether the inquiry should include the decisions of Ministers as well as officials. I have already said that I am happy for John Vine's investigation to look at what decisions were taken by Ministers and when. She asked about the publication of paperwork between Ministers and officials. We will certainly make all the relevant paperwork available to the investigations. I can assure her and the House that the paperwork will show without ambiguity that the relaxation of checks that occurred was not sanctioned by me.

The right hon. Lady asked whether any dangerous individuals had managed to come to Britain. That is a very serious issue; that is why I addressed it in my statement. I made it clear to the House that we are not in a position to be able to say how many people entered who should have been prevented after being flagged by the warnings index. We would have known, however, if anybody had tried to enter the country during the pilot, as the pilot was due to operate, because all adults were run past the warnings index and all non-EEA passengers were checked against that index. It was only EEA nationals' children travelling with their parents or in a school group who were not automatically run against the warnings index. That is more stringent than the controls put in place by the last Government, who in similar circumstances did not check all adults against the warnings index.

I have said on a number of occasions that there is nothing more important than the security of our border, and I made clear in my statement the measures we are taking to address the lapse. In addition, we are reforming every route to the UK to reduce net migration; we are clearing the asylum backlog; we are improving removals; we are addressing the problem of article 8; and we are creating a border policing command in our National Crime Agency to improve our border security in the long term.

I will take no lectures, however, from the party that gave us a total net migration of more than 2.2 million people, the foreign national prisoners scandal, Sangatte, widespread abuse of student visas, the botched e-Borders contract, a 450,000 asylum backlog, no transitional controls for eastern Europeans, the Human Rights Act and a points-based system that failed to reduce immigration. My task now is to make sure that those responsible for this lapse are properly dealt with and to make sure that border force officials can never take these risks with border security again. That is what I am determined to do.

Several hon. Members *rose—*

Mr Speaker: Order. A great many colleagues wish to participate in the debate on this statement. I know that a fine example of the brevity required will now be provided by the right hon. Member for Haltemprice and Howden (Mr Davis).

Mr David Davis (Haltemprice and Howden) (Con): The shadow Home Secretary used the phrase "deeply out of touch" and "complicit in a loss of control at our borders", which is, of course, a perfect description of Labour policy for the last decade. The Home Secretary made a decision on 22 July this year which only she could make, simply because she is the only person with advice from the security agencies. Can she tell us in broad terms what that advice was?

Mrs May: I am happy to tell my right hon. Friend that security officials were asked about the proposals being put forward and they indicated that they were entirely satisfied with them.

Mr Jack Straw (Blackburn) (Lab): No one is asking the Home Secretary to take lectures. What she is being asked to do is take responsibility for the shambles over which she is presiding, 18 months into the Government's term of office. Will she now answer the question posed by my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper)? How on earth did it come about that neither her immigration Minister nor she spotted that—as she claims—her instructions were not being followed? Does she never talk to immigration officers, or go to a port or an airport?

Mrs May: I do indeed go to airports and I do indeed talk to immigration officers, and I assure the right hon. Gentleman that I find my discussions with immigration officers very fruitful because of the ideas they advance about better measures that we could take to improve security at our borders and reduce immigration, which is, of course, what the Government intend to do. Last week, during a period when the pilot was due to be operating, the chief inspector spoke to the chief executive of UKBA to express his concerns. As a result, conversations were held with the head of the UK border force, which led to the action that is now being taken.

Mr James Clappison (Hertsmere) (Con): I warmly welcome the approach that my right hon. Friend is taking, including the inquiry that she has instituted. Can she confirm that anyone who has illegally entered the UK as a result of these events will not benefit from an amnesty instituted by Ministers, as happened repeatedly under the last Government? Can she also confirm that such cases will not be allowed to pile up in a backlog of 500,000, as earlier cases did, including the 100,000 to which the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) had the gall to refer?

Mrs May: I am grateful to my hon. Friend for reminding the House of that point. It was the actions of the last Government that led to the build-up of more than 450,000 asylum cases, which has only just been cleared. We are now able to operate a much more efficient asylum system. I can also assure my hon. Friend that this Government are not in favour of allowing an amnesty to illegal immigrants.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): Last year the Government announced the abandoning of second-generation biometrics; we had not expected them to abandon first-generation biometrics quite so quickly.

I realise that we are dealing with a ministerial graveyard —as some of us know very well—but what monitoring and reporting mechanisms were introduced by Ministers so that they could be informed of the progress of the pilot programme and whether it was being eroded at the edges?

Mrs May: We ensured that there would be a proper evaluation of the pilot programme. The point of making it a pilot programme was to establish whether it would indeed be possible to target those who constituted a higher risk in terms of border security, and whether there would be benefits from such action. As I have said, the pilot ended last week, and the full results of the evaluation have not yet been made available.

Mrs Anne Main (St Albans) (Con): The Home Secretary read out a litany of occasions on which rules had been relaxed under the last Government. Is she aware of the guidance that was given in each of those cases, and does she believe that that relaxation may have contributed to a laxity in the system which has led officials to feel they need not always follow the rules to the letter?

Mrs May: I am aware of some of the guidance that was published at the time, which stated, for instance, that details of EEA nationals arriving on services that had been assessed as low or very low risk should be checked only on a targeted basis. Various relaxations were introduced at the time. I have asked the chief inspector of the UK Border Agency not only to assess what has been happening across the board in terms of checks, but to examine the processes for ensuring that Ministers' decisions are properly undertaken, recorded, passed down and acted on, and that no one goes further than that.

Keith Vaz (Leicester East) (Lab): I welcome the appointment of John Vine. I also thank the Home Secretary for agreeing to give evidence to the Select Committee on Home Affairs tomorrow, when we will probe her further on these matters. She will know that successive Select Committee reports have told successive Governments about the culture of complacency that exists at the highest levels of the UK Border Agency, yet senior officials were paid £90,000 in bonuses last year. May I urge her to turn this crisis into an opportunity? If the Vine report suggests a root-and-branch change to the way in which the agency is operating, will she please accept those recommendations—along with the recommendations of the Select Committee—and implement them?

Mrs May: I thank the right hon. Gentleman for his question. I was, of course, looking forward to appearing before his Select Committee in any case, and as that happens to have fallen at this time, I will, indeed, look forward to answering questions on this matter. There have over the years been reports that have rightly raised concerns about the operation of the UK Border Agency and what has been happening at our borders. I have made it absolutely clear to the chief inspector that I look forward to him not only reporting on what has happened, but bringing forward recommendations on how we can in future better ensure we are maintaining our border security.

Tom Brake (Carshalton and Wallington) (LD): Does the Home Secretary expect any of the reviews that she has initiated to recommend that retrospective checks be carried out on any people who got into the UK over the period in question and on whom partial information had been captured, and what would such retrospective checks involve?

Mrs May: I do not expect the investigations by Dave Wood and Mike Anderson to come up with such a recommendation, because they are specifically examining what happened in relation to certain individuals. Chief inspector John Vine's report will tell us in more detail what has happened over the period in question across the board, rather than at just a number of ports. I have to say, however, that I doubt that he will come forward with specific recommendations on any individual.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): From the Home Secretary's very defensive responses, we know who she is blaming in advance of her inquiries, but those who know the people at the top-end of the border force, and who know how that body works, say it is unthinkable that they would have taken these actions without the knowledge and approval of Ministers. That is right, isn't it?

Mrs May: As I said in my statement, my understanding is that the head of the UK Border Agency admitted he had taken action outside ministerial approval.

Nicola Blackwood (Oxford West and Abingdon) (Con): Evidence to the Home Affairs Committee showed that while the agency was truly chaotic under the last Government, significant problems remain in respect of its ability to protect our borders properly. It is clear the agency is in need of urgent and real reform. As a start, can the Home Secretary assure me and my constituents that the Government will swiftly press ahead with the creation of a border policing command?

Mrs May: I thank my hon. Friend for her question. We will, indeed, be pressing ahead with the establishment of a border policing command inside the National Crime Agency. I am also pleased to be able to tell the House that the new chief executive of UKBA, Rob Whiteman, who has been in place for five weeks, has already done a lot of work in assessing what changes are required to ensure UKBA staff operate the maximum level of security.

Paul Goggins (Wythenshawe and Sale East) (Lab): Can the Home Secretary confirm that all airports, including Manchester, were included in the pilot? If so, can she confirm whether those who run Manchester airport and the airlines that operate there were made aware of the pilot?

Mrs May: I do not believe that Manchester was included in the pilot, but I will, of course, check that I am right about that because—

Chris Bryant (Rhondda) (Lab): It's your pilot!

Mrs May: Yes, it is my pilot, and the arrangements for that pilot were made known to UKBA officials at the various ports where it was operating.

Henry Smith (Crawley) (Con): My constituency contains the nation's second-busiest air gateway, and a majority of my constituents are deeply concerned about immigration. Will the Secretary of State say whether Gatwick was part of the pilot? If so, when her investigations are complete, will she tell us how many people came through during that period? Will she also confirm that national security will always be a greater priority than the length of the queues in immigration halls?

Mrs May: Yes, indeed Gatwick was included. It was possible for the pilot to be operated across all the ports; it was not specified for any particular ports. There was a focus on particular ports, but Gatwick was included and I believe that Manchester was too.

Pete Wishart (Perth and North Perthshire) (SNP): Does that mean that the airports in Scotland were included? If there are issues for the airports in Scotland, what discussions has the Home Secretary had with Scottish Ministers on this issue?

Mrs May: The answer is yes. If, as I say, it is "all the ports", it includes all the ports, including those in Scotland. I will be happy to be in touch with Scottish Ministers about this.

Alok Sharma (Reading West) (Con): Lord Glasman, a close adviser of the leader of the Labour party, told us:

> "Labour lied to people about the extent of immigration"—

Mr Speaker: Order. The hon. Gentleman will resume his seat. This is a statement about Government policy. That is the purpose of the exercise, let us be clear.

Mr Peter Bone (Wellingborough) (Con): On Friday, while in my constituency, I received a phone call from someone who had been in the country illegally since 1965. This person had left the country, had been prevented by border officials from coming back in and then recently—on that very day—had been given six months to stay here. It is a question not just of checking these people, but of doing something about them when we see them.

Mrs May: My hon. Friend makes a very important point, and this is why we have an exercise in place to improve our ability to remove people who are in this country without having a right to be here.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): Given the UK Border Agency's reputation for mishaps and inefficiency, and the sensitivity of this issue, why did the Home Secretary bring this pilot into force without making arrangements for checking at regular and frequent intervals how it was actually working in practice? Why did it take three months before this failure emerged?

Mrs May: As I indicated in my statement, the pilot was for a limited period of time. It was exactly what it said: a pilot to test whether the operation was going to ensure that we could target higher-risk individuals, rather than routinely checking everybody in certain categories. The evaluation of the pilot would have led to a decision as to whether or not it was appropriate to continue that in any further way. This was for a limited period and the full evaluation was to take place at the end.

Michael Ellis (Northampton North) (Con): Does the Home Secretary agree that it is perfectly in order to give very well-paid, high-level senior officials some common-sense discretion, but if they go further than their discretion—further than is authorised by Ministers—and weaken our borders, it is appropriate to look at criminal sanctions for any misconduct?

Mrs May: I can say to my hon. Friend that if there is any evidence that the law has been broken and that criminal charges are appropriate, that will be pursued.

Jeremy Corbyn (Islington North) (Lab): Will the Home Secretary consider the question of staffing levels throughout the UK Border Agency? I am talking about the effect they have in respect of enormous queues at Heathrow and other airports, which become a deterrent to legitimate travellers; the inability of that agency to respond to written inquiries from people, including MPs; and the situation where the agency apparently cannot cope with its work load.

Mrs May: As I made clear in my statement, this was not an issue about staffing levels; this was a pilot that was intended to help us understand whether it was possible, with different arrangements, to make more intelligence-led checks on higher-risk individuals. We have made it clear that it is going to be possible to improve the border operations through the use of greater technology—the use of e-gates is an important element in that. The hon. Gentleman refers to letters written by MPs, but I must say to him that my hon. Friend the Minister for Immigration is responsible for signing—dealing with—about 60,000 letters on immigration matters each year.

Dr Julian Huppert (Cambridge) (LD): There has been a catalogue of problems in UKBA for many years, as was shown in a recent Select Committee report before this case took place. We had seen the disasters of the asylum backlog, which has not quite gone away; poor decision making; cases being dropped; and a huge number of successful appeal rates. Fixing this has defeated many previous Home Secretaries, so how can we be sure that this one will resolve it?

Mrs May: I thank my hon. Friend for that question. He is right to say that over the years—this is the point I have been making—successive Governments have come across difficulties in the operation of UKBA, or its predecessor organisation in the Home Office, in relation to security checks and border controls. This coalition Government are taking the right steps, by establishing the border police command, to strengthen our ability to deal with controls at our border. But, as I indicated in my answer to the right hon. Member for Leicester East (Keith Vaz), it will of course be for us to look at any recommendations that come from the chief inspector's investigation in order to see whether further action is necessary to put in place what we all want: a system to ensure that UKBA can maintain the security of our borders in the way we wish.

Derek Twigg (Halton) (Lab): In her statement, the Home Secretary said that the controls had been relaxed without any ministerial approval, but she did not mention knowledge. Will she confirm whether the Prime Minister, No. 10, she, her Ministers, the permanent secretary at the Department or her private offices had any knowledge whatever of those relaxations and controls?

Mrs May: I assure the hon. Gentleman that the first I was aware of them was when I was informed by the permanent secretary that action had been taken against Brodie Clark, who is the head of the UK border force.

Chris Kelly (Dudley South) (Con): I thank the Home Secretary for her statement. Will she tell the House which months, on previous performance, saw the most

[Chris Kelly]

interceptions and whether they were the same months as those we are talking about today?

Mrs May: Yes, they are the same months that we are talking about today.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Is it not a fact that under this Home Secretary's watch, something like 100,000 people, possibly including terrorists, have vanished into the undergrowth with nobody knowing where they are? When the Home Secretary said again and again in her statement "without ministerial approval", was she not admitting that she does not have a grip on her Department? The responsibility ends with her.

Mrs May: I have been perfectly clear with the House that I take responsibility for the decisions I have made, and I have done that this afternoon. In the circumstances that have been set out, what we have seen is a pilot that was agreed, and actions going beyond that—unauthorised actions—taking place at our border.

Mr Rob Wilson (Reading East) (Con): The Public and Commercial Services Union is alleging that staff cuts and staff shortages caused the relaxation of these rules. Will my right hon. Friend take this opportunity completely to reject those allegations?

Mrs May: Yes, I will take that opportunity. It was clear when the proposals for the pilot were presented to me that the desire was to ensure that more risk-based checks could be made and therefore that we would target resources on higher-risk individuals. In doing that, it could well be possible to improve security, but, of course, evaluating whether that was the case was the purpose of ensuring that this was only a pilot.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): Having served as a full-time official in the civil service trade union movement for 26 years, may I say that if a civil servant under the senior civil service had wilfully disobeyed an instruction he would have been guilty of gross misconduct and would have been summarily dismissed? If the matter is as clear-cut as the Home Secretary suggests, will she tell us why Brodie Clark is not facing the same sanction?

Mrs May: Because a proper process is being undertaken. Further investigation by Dave Wood is taking place to ascertain the full extent of what happened.

Mr David Ruffley (Bury St Edmunds) (Con): I trust my right hon. Friend to sort out the sloppy and lax management culture that has prevailed at this agency for too long. May I ask about her excellent idea for a border police command? When will it be introduced and how many police will be detailed to it? What the public want now is even more reassurance that our borders are going to be safe.

Mrs May: The intention is that the National Crime Agency will be established in 2013. It will be necessary for legislation to go through the House to establish the NCA, and the border police command will be part of the national crime agency. I am not able, at this point, to say how many police will go to the border police command. I am sure that my hon. Friend will appreciate that, given what has taken place, it is now necessary for us to have another look at exactly what we intend to do with that border police command.

Steve McCabe (Birmingham, Selly Oak) (Lab): When the right hon. Member for Haltemprice and Howden (Mr Davis) told Charles Clarke

"because of this culpable failure to protect the safety of the public,"

your

"position is now untenable"—[*Official Report*, 26 April 2006; Vol. 445, c. 575.],

I am afraid he was right. Why is that remark any less right for this Home Secretary today?

Mrs May: I think I have explained in my statement and in answers to questions exactly what happened.

Mr Philip Hollobone (Kettering) (Con): In her statement, my right hon. Friend said that border officials were free to use their professional judgment to check the biometric chip of EEA passengers. Given that biometrics are meant to speed things up and provide greater security, I and my constituents would want every passport holder with a biometric chip to have their passport checked.

Mrs May: Perhaps I should repeat what I said about the biometric chip. The biometric chip holds within it a second photograph. That is all it holds within it. The decision was taken under the pilot to allow discretion to be operated in relation to EEA nationals and the opening of the biometric chip on a risk-based approach. I am sure my hon. Friend would want a border force that ensures it is targeting those who place most at risk individuals living in the United Kingdom.

Pat Glass (North West Durham) (Lab): Is not the real issue that any pilot that relaxes security and immigration checks at our borders is a disaster waiting to happen, and that is what we have—a disaster that has happened?

Mrs May: I explained in my statement the reasons for undertaking the pilot and also the fact that during the period that the pilot was undertaken, the number of illegal immigrants who were detected at the border increased. I think that rather improves security.

Sajid Javid (Bromsgrove) (Con): Government figures show that by 2010 illegal immigration had reached an all-time high of more than 700,000 in our country. Does my right hon. Friend believe that the UK Border Agency is solely responsible for this shambolic state of affairs?

Mrs May: The UK Border Agency is the body responsible for putting in place the policy that is agreed for dealing with immigrants at the borders. The UK Border Agency does very good work—I have seen it for myself at Calais—in intercepting illegal immigrants who are trying to enter this country. It is doing that work on a daily basis to try to ensure that we reduce the number of illegal immigrants. This Government are trying to do something to reduce immigration into this country, to reduce net migration, and also to improve the removal of illegal immigrants so that those who come here with no right to be here are removed from this country.

Ann McKechin (Glasgow North) (Lab): The House rightly takes seriously the issue of child trafficking. Can the Home Secretary advise me what evaluation was carried out on the increased risk of child trafficking as a result of the pilot and the increased risk of child trafficking that has occurred as a result of this scandal?

Mrs May: The evaluation of the pilot's impact was intended to demonstrate that. In relation to the possibility of increased child trafficking, I come back to a point that I made earlier. It was clear to officers that it was at their discretion to check children who were coming in, either in family groups or in school groups, and they could follow up any suspicions that they had in relation to that by undertaking those checks.

Mr Douglas Carswell (Clacton) (Con): We know that the radical Islamist Sheikh Raed Salah walked past UK border controls this summer, despite being on a Home Office banned entry list. Was this connected to the news that we hear today, or was it simply a case of someone not checking his passport?

Mrs May: No, it was not connected to the news that I have outlined to the House today. I will be making information available on the issue involving Raed Salah to the Home Affairs Committee.

Heidi Alexander (Lewisham East) (Lab): I would like to return to the issue of who knew what when about the pilot. Did the Prime Minister sanction the pilot going ahead?

Mrs May: The decision was taken by me as Home Secretary, together with the Immigration Minister.

Kris Hopkins (Keighley) (Con): Does my right hon. Friend recognise that under the previous Government the public lost confidence in Labour's ability to manage immigration and border controls, and that that drove a significant number of people into the hands of the far right? Does she agree that we should not let the people down in such a way?

Mrs May: I agree with my hon. Friend. Sadly, the immigration policy of the previous Government led to significant concerns among members of the public. This is an issue that matters to members of the public. It is this coalition Government who are taking action that I believe members of the public want us to take to reduce net migration into this country, to get rid of the abuse of student visas, and to deal with some of the other issues that led to the significant numbers of people coming into this country over the past 13 years under a Labour Government.

Stephen Pound (Ealing North) (Lab): The right hon. Lady knows more than almost anyone how uniquely serious the security situation is in Northern Ireland. Can she please confirm that Belfast International was not included in the wave-through amnesty?

Mrs May: As I have indicated, my understanding is that all ports were included, but I will check that point and write to the hon. Gentleman, given his specific interest in it.

Mr Julian Brazier (Canterbury) (Con): Will my right hon. Friend confirm that she will not quadruple the number of work permits for non-EU residents, that she will not preside over the growth of hundreds of phoney colleges that bring in phoney students, and that she will not plan a large-scale amnesty?

Mrs May: I am happy to confirm all those points. Indeed, far from doing any of those things, this Government are getting rid of the abuse of student visas by ensuring that colleges that have been bringing people in to work rather than to study can no longer do so. It is this Government who have brought in an annual limit on non-EU economic migrants.

Mr John Spellar (Warley) (Lab): Given the concerns about the UK Border Agency, can we be clear about why the Home Secretary did not arrange to monitor this sensitive pilot or, given her wide range of responsibilities, why the Immigration Minister did not do so? Can we also be clear what he signed up to and what he was told? Let us not wait until January for those answers. Will the Home Secretary issue a statement to that effect this week?

Mrs May: I have just made a statement in which I set out the timeline for when decisions were made. If the right hon. Gentleman had listened carefully, he would have heard it.

Stephen Mosley (City of Chester) (Con): We heard suggestions earlier that documents were being shredded and e-mails were being deleted. What powers will the three inquiries have to ensure that documents are available to them and witnesses can be called to give evidence?

Mrs May: I can assure my hon. Friend that the internal inquiry has been ongoing since the first information on the matter was available on Thursday and is continuing. I expect it to be a relatively quick inquiry. The inquiry by the chief inspector is starting today, and I saw him and one of his assistant chief inspectors this morning. They have already started the necessary work for conducting the field work at various ports around the country and will have the full powers available to the chief inspector in normal circumstances.

Nia Griffith (Llanelli) (Lab): We have been rather disappointed by the Home Secretary's answers on Manchester and Belfast airports and the number of people coming into the country. Will she make available to us as soon as possible all the details about the ports and airports involved, the times they were involved and the number of people who came in, rather than waiting until January for an inquiry? She should make it her business to find these things out.

Mrs May: I have already indicated that I will make available information about which ports were included.

Mr Mike Hancock (Portsmouth South) (LD): I hope that the Home Secretary will not mind me saying so, but she sounds today like she is more on autopilot than anything else. Does she recollect being given a report about the pilot at the end of September? If she did not see it, which of her Ministers did?

Mrs May: As I indicated in my statement, it was decided in the middle of September to extend the pilot until this week. If that is the report the hon. Gentleman is talking about, we of course looked at it and considered whether we should extend the pilot.

Paul Blomfield (Sheffield Central) (Lab): If the Home Secretary agrees that every aspect of this issue should be investigated, will she confirm that the inquiries will consider the resources that are made available to UKBA?

Mrs May: The terms of reference for the inquiry by the chief inspector will be placed in the Library, so the hon. Gentleman will be able to see for himself exactly what it covers.

Charlie Elphicke (Dover) (Con): Will the Home Secretary congratulate the front-line UKBA officers who do a brilliant job around the country, including in Dover, and is she aware of Phil Woolas's comments that his efforts to tighten our borders were opposed by Treasury and Foreign Office Ministers?

Mrs May: I am grateful to my hon. Friend, and I will indeed pay tribute to the work that is done by UK Border Agency officers at our ports, including those who are at Dover. As I made clear in an earlier answer, they do very good work on a daily basis to stop people coming into this country illegally and to seize goods that should not be coming into this country. As I say, those who operate at Dover should be commended for the work that they do on a daily basis.

Helen Jones (Warrington North) (Lab): If the pilot was to be evaluated, someone must have been collecting information on how it was working. Can the Home Secretary tell us where that information was held, and can she now answer the question of my hon. Friend the Member for Halton (Derek Twigg) about whether any Minister or ministerial private office knew what was going on?

Mrs May: Yes, we were looking at the operation of the pilot, as a full evaluation, at the end of the pilot taking place. Opposition Members have asked on several occasions whether during the course of the pilot it became clear to Ministers that it was being operated not just as requested and authorised, but in another way, and the answer to that is no.

Mark Reckless (Rochester and Strood) (Con): Brodie Clark was governor of Whitemoor prison when five IRA men escaped, yet he was promoted to be the Prison Service head of security and then to head the UK border force. The Home Secretary explains that things will improve under the NCA, but does she agree that confidence in the agency would be bolstered if its head were subject to a parliamentary confirmation hearing?

Mrs May: My hon. Friend is an assiduous member of the Home Affairs Committee, and I suspect that it may choose to return to that issue. As he will know as a member of the Committee, in due course the head of the National Crime Agency will be available to appear before the Committee and to talk about his proposals for the agency, which will include the border police command.

Glenda Jackson (Hampstead and Kilburn) (Lab): Was there a specific incident that caused Mr Vine to raise his concerns only last week with Mr Whiteman, or did he have concerns during the previous four months? Did he raise them with anyone? Did such individuals raise those issues with the Home Secretary or anyone in her office?

Mrs May: The chief inspector had carried out an inspection of a Heathrow terminal, and during that inspection he developed a concern about the consistency of the controls being operated. It was that issue that he raised, and it was following discussions about that issue that what had happened has come out.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Earlier this year I hosted a delegation of Chinese business men and investors, who very politely told me that they felt they had undergone excessive security screening and delays at Heathrow airport. When the Home Secretary introduced this shambolic pilot, did she not consider the message that it might send to legitimate and well-meaning trading partners from other parts of the world, who have undergone a far more rigorous examination?

Mrs May: I am not quite certain where the hon. Gentleman is coming from on that particular point, because he seems to complain on the one hand about a pilot with some limited relaxation of controls, and on the other hand about excessive controls.

Alison Seabeck (Plymouth, Moor View) (Lab): This summer, returning from holiday at the end of August along with thousands of others, we arrived at Heathrow, where we were actively discouraged from using the modern technology that the Home Secretary has talked about so frequently in her answers. Will her pilot study indicate exactly what percentage of passengers arriving used the new machines, what percentage went through officials and what percentage of people caught trying to enter illegally went through either the machines or officials?

Mrs May: E-gate usage is known—those figures are available—and one of the matters that I have taken up with the UK Border Agency is the extent to which it should encourage people who are able to use e-gates to do so. The hon. Lady's experience suggests that otherwise has occurred.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): The Home Secretary says that she discussed the pilot with the Immigration Minister and the Minister responsible for security, but did she consult ministerial colleagues and security officials at the Department for Transport? If so, what was their advice?

Mrs May: The matter related to the operation of border security controls, which is a matter for the Home Office.

Graham Stringer (Blackley and Broughton) (Lab): I am appalled that the Home Secretary set up a pilot at Manchester airport and did not know she had done so. That is extraordinary. Will she now answer without any ambiguity the question that has been asked four or five times: did information come from those pilot schemes into her or any other Minister's office in the Home Office—yes or no?

Mrs May: As I have made clear, an evaluation of the pilot was going to take place at the end of the study, so that we could look at how it was operating and whether it was doing what it was expected to do. As I said in my statement, a decision was taken in the middle of September to extend the pilot until November in order to ensure that there was a fuller period of time to make the evaluation.

Nic Dakin (Scunthorpe) (Lab): How often did the Home Secretary get reports and updates on the progress of the pilot, and how often did she update the Prime Minister on it?

Mrs May: The hon. Gentleman refers to the Prime Minister's involvement, which has been referred to by another hon. Member, and I answered that question: it was a matter for the Home Office and decisions were taken by the Home Office.

M5 Motorway Accident

5.36 pm

The Secretary of State for Transport (Justine Greening): With permission, Mr Speaker, I should like to make a statement to update the House on the serious collision that took place on the M5 motorway in Somerset on the evening of Friday 4 November.

As the House will be aware, at approximately 20 minutes past 8 on Friday evening, a road traffic collision occurred on the M5 northbound in Somerset involving multiple vehicles. Some of those vehicles subsequently caught fire. The incident occurred between junction 25, Taunton, and junction 24, Bridgwater North, approximately a third of a mile north of junction 25. The emergency services and the Highways Agency responded to the incident immediately, and therefore a large number of emergency service vehicles and resources were able to attend the scene very quickly.

At approximately 9 pm, based on the numbers of casualties and vehicles involved, Avon and Somerset police declared a major incident. Due to the nature of the incident scene, it took some time to confirm exactly how many people and vehicles were involved in the collision. Avon and Somerset police have now confirmed that 37 vehicles were involved in the collision. Tragically, seven people lost their lives. A further 51 people were injured and were treated at Musgrove Park hospital, Yeovil district hospital or at the scene.

I would like again to offer my condolences—and I am sure those of the House—to those who have lost friends or family in that horrific crash, as well as to offer our thoughts to those who have been injured. The families of those who lost their lives are being supported by specially trained family liaison officers from Avon and Somerset police, who will continue to work with them as long as they are needed.

Police investigations on the motorway were completed at 10 minutes past 4 on Sunday 6 November, and the scene was then handed over to the Highways Agency and its contractors to begin repairs to the carriageway.

The collision incident caused a significant amount of damage to the highway: a stretch of 40 metres of road was damaged by fuel spillage from vehicles and a stretch of 60 metres was damaged by intense fire. Two lanes of the southbound carriageway reopened yesterday at 20 past 5 and, following extensive resurfacing works, all lanes on the northbound carriageway reopened shortly before 9 pm. The final remaining lane closure on the southbound carriageway was removed at 20 past 9 last night, and the road is now running in both directions.

The Minister responsible for roads, the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), visited the scene of the incident on Saturday, and I was there yesterday. I was tremendously impressed by the determination and professionalism of staff from the emergency services—police, fire crews and ambulance staff—local hospitals and the Highways Agency. They worked with real dedication in the most difficult of circumstances. Our efforts to deal with the scene also involved the Environment Agency. The way in which all those agencies were able to work together highly effectively was critical in ensuring that those involved in the accident were helped and

[Justine Greening]

treated speedily. I pay tribute to Assistant Chief Constable Anthony Bangham who, as gold commander, led those efforts.

It was a harrowing and painstaking task for all concerned to deal with the incident, and I would like to take the opportunity to thank massively all those involved for their efforts and bravery, including individual members of the public who were passing or near the incident, some of whom tried to help those trapped in vehicles. I would particularly like to pay tribute to the local community, people and businesses in and around Taunton. From local people and hotels offering to accommodate relatives of those injured and members of the public offering support, to local off-duty hospital staff turning up at their hospitals to help to provide care, it was humbling and inspiring to see how selflessly so many people were willing to offer their support to others who needed it.

It would be a mistake at this very early stage to speculate about the causes of the collision. Investigations into the cause of the crash are still at a very early stage. To put that in context, the recovery phase finished only yesterday, and it is only today that the investigation phase becomes the key focus. While Avon and Somerset police have indicated that the presence of smoke on the carriageway is a significant line of inquiry, Assistant Chief Constable Bangham has been clear that, in his words to me earlier today, it is "far too early" to jump to conclusions on the causal factors of the incident. Our first priority now must be to ensure that the police are able to conduct a comprehensive and thorough investigation of the crash.

As I said, earlier today I spoke to Assistant Chief Constable Anthony Bangham, whose Avon and Somerset force is leading the ongoing investigation. He told me that, given the large number of vehicles involved, and the need carefully to look at the vehicles recovered and of course to talk to the many witnesses, it may be some weeks until the investigation can conclude on any cause or causes of the incident. The police continue to appeal for witnesses, and I encourage anyone with any information to contact the police directly on 101 or by calling Crimestoppers on 0800 500 111.

I would like to emphasise to the House the extremely high priority that I attach to road safety. The UK has a proud tradition as a world leader on road safety, and that is a tradition that I am determined to continue. Although the number of deaths and serious injuries on our roads has fallen dramatically over the past 20 years, the horrific crash on Friday has reminded us of the terrible personal consequences of collisions for motorists and local communities. Earlier this year, the Government published a road safety framework that commits us to a range of activities that will enable us to do even better in future. We will of course take full account of any lessons from this terrible collision in developing our future policies and supporting the future safe travel of people.

The safety of our roads also requires effective partnership working across a wide range of organisations—national and local government, police and emergency services, and many others. We need to work together effectively if we are going to do the best job we can of ensuring that people stay safe on our roads. Over the coming weeks, and going beyond any lessons that may be learned from this particular incident, I will be considering carefully our forward plans on road safety to ensure that we have the right measures in place to deliver real and urgent progress on tackling the continuing blight of death and injury on our roads. I commend this statement to the House.

Maria Eagle (Garston and Halewood) (Lab): I thank the right hon. Lady for her statement and for early sight of it. I am sure that we would both have preferred the circumstances of her first appearance at the Dispatch Box as Secretary of State for Transport to be different, but may I take this opportunity to congratulate her on her appointment? I wish her well in her new role, and I am sure that her decision to visit the scene of this horrific incident over the weekend will have been appreciated, as will the visit of the Under-Secretary of State for Transport, the hon. Member for Hemel Hempstead (Mike Penning), particularly by those still working to deal with the aftermath. May I associate Labour Members with the sympathy that the Secretary of State expressed for those who have lost loved ones and those who have suffered injuries in this tragedy?

I join the right hon. Lady in thanking the emergency services in Somerset. Tales of extraordinary bravery have emerged from what must have been a terrifying situation, and yet again we have been reminded of the professionalism and dedication of our emergency services. I also add our thanks to the staff of Musgrove Park hospital in Taunton and Yeovil district hospital. They provided an exceptional response after the incident and are continuing to provide the first-class care that we have come to expect and rely on from our national health service.

This is one of the worst road accidents we have suffered for many years, and it is right that the police must now be able to carry out the very thorough investigation they have begun into the cause of this tragedy. The truth is that we do not know today whether there were steps that could have been taken to prevent the incident. We must await the conclusions of the investigation and avoid the temptation to rush to judgment.

While families are struggling to come to terms with their devastating loss and victims lie injured, I do not believe it is the right time to pass judgment on specific policies. The Secretary of State said that lessons will be learned for future policy development. Will she confirm that the conclusions of the investigation into this incident will be fully considered before steps are taken to advance any of her Department's proposals that she has inherited that may have a bearing on road safety?

The Secretary of State referred to the dramatic fall in the number of deaths and serious injuries on our roads over previous years. However, she will have noticed the increase in deaths over the last year, which was reported just last week. That is something of which she and this House need to take particular note. She should know that she will have the full support of the Opposition if she brings a renewed focus to the challenge of reducing the number of deaths and serious injuries on our roads.

Will the Secretary of State confirm whether she has yet discussed this incident with the Home Secretary, the Secretary of State for Communities and Local Government, who is in his place, and the Secretary of State for Business, Innovation and Skills? Have they confirmed whether they intend to review the licensing regime for public events, firework displays and bonfires? Following the fire under the M1 in April, the then Secretary of State for Transport promised a review of the wider lessons that should be learned about the activities that we allow to take place under motorways. Will the right hon. Lady update the House on that work and on any conclusions that have been reached? Will she consider widening that work to consider activities alongside, as well as underneath, our motorways?

Finally, I would be grateful for an assurance that the Secretary of State will make a further statement to the House following the conclusion of the investigation. It is important that there is an opportunity to discuss these issues more fully than feels appropriate today. I thank her for ensuring that the House has been updated at the earliest possible opportunity following this tragedy.

Justine Greening: I am very grateful for the hon. Lady's kind words welcoming me to my new role. As she says, it is a shame that I arrived at the Dispatch Box under these circumstances.

In response to the points that the hon. Lady made, of course we will consider the lessons that can be learned from this incident, if there are any. As she pointed out, the most important thing is to ensure that the police can get on with their investigation as it unfolds. It is worth reiterating her point that, for the families of people who have been injured and particularly for the families who have lost relatives, it is important that we do not speculate unnecessarily about what might have caused the accident.

On road safety, the hon. Lady pointed out last quarter's figures, which showed a rise in fatalities. It is also fair to point out that in the 12 months to the end of June, we continued to see an overall reduction in fatalities and injuries on our roads, so the trend is moving in the right direction. The challenge for this House is to ensure that that does not level off and that we take steps to ensure that the figures come down further, as far as possible.

The hon. Lady's question about licensing arrangements slightly prejudges where the police investigation may end up. She has made the point that there is a question over whether this event falls under the Licensing Act 2003 as a regulated event. That is clearly something that the police and the local authority will consider.

If the police investigation that is under way presents any conclusions that I think it is important for this House to consider, I will of course come back and make a statement. It is possible that the police will conclude that they cannot say absolutely what caused the collision. However, if there are meaningful lessons and conclusions that it is worth this House discussing, I will ensure that we have a follow-up statement.

Mr Ian Liddell-Grainger (Bridgwater and West Somerset) (Con): If I may, I will pay tribute to the hon. Member for Taunton Deane (Mr Browne), who is in his place, because it is the nightmare of every MP to face such a tragedy. The Secretary of State and the shadow Secretary of State made it clear that this matter will be thought through logically. One worry is that, as the M5 is the most important arterial route in our county, whatever happens to the M5 affects the whole county. When decisions are made, I ask the Secretary of State please to consult the MPs with constituencies along the M5, so that we have some input into any recommendations that are put forward by the police and the Highways Agency for the future of the road.

Justine Greening: I very much hope that we will be able to have an ongoing dialogue with local MPs about the effectiveness of any measures that end up being proposed. Frankly, I would expect that about any key proposals that affect any Member's local public transport.

Mr Ben Bradshaw (Exeter) (Lab): The right hon. Lady says that the road death figures are still heading in the right direction, but my reading of the latest figures was that, even before this terrible crash, we were looking at the first annual increase in road deaths that this country has seen for 20 years. As she will know, that is deeply worrying to road safety campaigners and others. Will she at the very least have another look at her predecessor's plan to encourage faster speeds on the motorways by increasing the speed limit?

Justine Greening: To go back over the figures on road safety, of course it is concerning that the most recent quarter's figures that have been released showed such a rise, but we should still not lose sight of the fact that the trend is in the right direction. We should also be conscious of the fact that levels of road safety can, of course, be affected by the weather, so it is not quite as straightforward as simply saying from looking at those figures that there is an underlying reduction in road safety compared with previous quarters.

One key point to recognise in relation to those numbers and the right hon. Gentleman's point about speed is that people can drive unsafely at any speed and in any weather conditions. It is important that we do not jump to a conclusion when the police still have to examine the causes of the accident, and that we ensure that we have a measured discussion about action that could be taken in future months to improve road safety. We as a House need to have that discussion in a responsible and balanced way.

Mr David Laws (Yeovil) (LD): I join the Secretary of State and my hon. Friends the Members for Taunton Deane (Mr Browne), for Somerton and Frome (Mr Heath), for Wells (Tessa Munt) and for Bridgwater and West Somerset (Mr Liddell-Grainger), as well as the other local MPs, in congratulating the emergency services on their fantastic response to Friday's tragedy. From a Yeovil perspective, I particularly pay tribute to the many people from my constituency, including at Yeovil hospital, who did fantastic work on Friday night and Saturday morning.

Although the Secretary of State is absolutely right not to leap to conclusions when we do not know the full facts, there are undoubtedly many positive lessons to be learned from the response of the emergency services on Friday and Saturday. I hope that she will undertake to ensure that that best practice is spread to all emergency forces across the United Kingdom.

Justine Greening: The right hon. Gentleman makes an excellent point. During both my trip to the scene and local hospitals and that of the Under-Secretary of State, my hon. Friend the Member for Hemel Hempstead, the point was constantly made to us about the extremely

[Justine Greening]

effective way in which a number of different agencies had worked together. For example, at the hospital that I visited in Taunton, staff talked to me about how they had in place an emergency process for dealing with such an incident, and it worked extremely well when an incident finally happened. There are best practice lessons to be taken from that, and we will certainly work to ensure that they are disseminated to other agencies across the rest of the country. I hope that the Highways Agency will play a key role in that.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I welcome the Secretary of State's personal commitment to road safety, because every single death is a tragedy. May I ask her to look again at the framework that her Department has developed? I believe that there has unfortunately been a tendency to see an increase in safety measures, such as better eyesight testing, as a burden rather than as something that will save lives.

Justine Greening: In all this we must strike the right balance, but I can absolutely assure the hon. Lady that I take incredibly seriously the issue of safety not just on the roads but across the transport system. I will take a very careful look at it to ensure that we always strike that balance. The strategic framework for road safety that we published in May contained a number of steps in the right direction. I would of course like to consider what more we can do, but we have, for example, increased fixed penalty notice fines for many motoring offences. The fixed penalty notice fine for speeding had not risen since 2000. The Government are taking a number of steps to ensure that we have a very proactive approach to road safety.

Mr Gary Streeter (South West Devon) (Con): The Secretary of State will know that the M5 is the major spine road into Devon and Cornwall, and is very busy in both directions. This appalling tragedy has been a real shock to all of us on the peninsula. May I therefore commend her for her calm and measured way of responding to the crisis, and join her in thanking the emergency services? In particular, I thank the Highways Agency for getting the road back together again so quickly.

Justine Greening: I thank my hon. Friend for those words. It is actually a stretch of road that I know very well. In fact, I had driven along it myself only two weekends before. He is absolutely right that we should pay tribute to the Highways Agency, which did an outstanding job in being ready to work with the police and then, critically, in taking the necessary steps once the police had released the scene. The agency not only ensured that the highway was safe for motorists to get back on the southbound carriageway as quickly as possible, but took steps to re-lay the northbound carriageway, which took just five to six hours. That meant that we were able to get that carriageway opened on Sunday night rather than Monday morning.

I should also say that the Highways Agency did an excellent job on the Friday evening of ensuring that the motorists who were not directly involved in the accident but were held up as a result of it were safely and gradually escorted away from the scene.

Robert Flello (Stoke-on-Trent South) (Lab): May I associate myself with the words of condolence to all the families affected and the words of praise for all those involved in what must have been horrific? I draw the House's attention to my entry in the Register of Members' Financial Interests.

I believe that the Under-Secretary of State, the hon. Member for Hemel Hempstead (Mike Penning), will know—hopefully he has whispered it in the ear of the Secretary of State—about the very positive impact that the Heavy Rescue Partnership has had, saving lives in association with Staffordshire fire and rescue. Will the Secretary of State ensure that the investigation will consider whether the availability of such an approach might have made the difference on the night of that terrible incident?

Justine Greening: We will consider all such issues going forward, so the answer is yes.

Tessa Munt (Wells) (LD): I join my right hon. Friend the Member for Yeovil (Mr Laws) in his comments about the emergency services, and I wish particularly to point out the contribution made by the family liaison officers who work in such circumstances.

I was present at the time on the southbound carriageway, and I saw what had happened as I was drawing off the road at the Taunton junction. I do not think I have ever seen anything like what I saw on Friday evening. It was an absolute inferno, and it was impossible for me to leave the car on the southbound carriageway to do anything.

Will the Secretary of State commend the bravery of two of my constituents, both of whom are in their 20s—a young man called Sam Jones and another gentleman by the name of Tom Hamill? Both played their part in rescuing people from the vehicles, particularly Tom, who I understand saved the life of a very small baby. I thank them for doing that.

Justine Greening: I pay tribute again to members of the public who, in many cases, selflessly put themselves in the way of harm to help and save others. We have all read of the many acts of heroism that people instinctively performed to help those whom they saw in need. In a world in which there is a lot of discussion about a big society, the fact that people's instinct when they saw such a tragedy unfolding was to run towards it and try to help says an awful lot about the spirit of local communities up and down our country, particularly in Taunton.

Paul Flynn (Newport West) (Lab): Will the Secretary of State join in the heartfelt tributes paid to my constituents and neighbours Tony and Pamela Adams, who died in the accident? We can all empathise with them—they were on a journey that they had made many times before, but within seconds a normal situation descended into hell on earth. They were not just another statistic; they were two lovely people who had been sweethearts for 50 years. They were stalwarts of the Allt-yr-yn community and their local church, St Mark's. In fact, Tony had organised the order of service for yesterday. No one is expecting any instant solutions from the Government, but may we take it that we as parliamentarians will understand the immeasurable loss to the family and friends, and say that we will do all we can to ensure by the decisions that we take that an accident of this kind is less likely in future?

Justine Greening: Yes. I once again send my condolences to that family. There is very little that anybody can say to their relatives at the moment that will provide any real comfort under the circumstances of this tragedy. As the hon. Gentleman points out, it happened instantaneously, which is a particular challenge for families who lose people in such circumstances. I can assure him that, as I have said to the House already, I take road safety and safety across our transport system incredibly seriously, and I will ensure that if there are any lessons to be learned, they will be acted upon, although we must wait for the outcome of the police investigation.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): I echo the condolences offered by hon. Members on both sides of the House to the families who have been badly affected. Connectivity with the peninsula not only by railway but by road is a very big issue. The M5 is the only arterial dual carriageway that goes the whole way down. Is my right hon. Friend willing to meet me and people from the south-west to discuss how we can improve that connectivity, and to find ways to ensure that when the motorway is closed, as it had to be, we can get to and from places much more easily?

Justine Greening: My hon. Friend the Under-Secretary with responsibility for roads and I will be quite happy to have that meeting. The broader point that my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) makes on resilience is critical. We saw the challenges for the road network in that area last year. Although my visit yesterday was to show support for the emergency services and the Highways Agency and the wonderful work they had done, I took the opportunity to raise initially some questions on winter resilience for that area, and I would be happy to meet my hon. Friend.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): As chair of the Parliamentary Advisory Council for Road Safety, the transport safety charity, I welcome the Secretary of State to her new job. We look forward to working with her on safety issues on a cross-party basis.

This tragic accident reminds us all that speed does kill, and hon. Members must think very carefully about it. I hope that when we analyse—*[Interruption.]* Yes, we must carefully analyse this accident. I hope that one specific thing that the Secretary of State's experts look at is the fire. It is very unusual in road accidents to have fires of that intensity. Many of us in road safety campaigning organisations have been worried for some time about the vulnerability of the fuel tanks of commercial vehicles. Will she ensure that she looks at that, and will she consider the restoration of the road safety partnerships?

Justine Greening: The hon. Gentleman is right that the fire was a significant factor in the number of fatalities and it is fair to say that it was a particularly unusual occurrence. He asks about fuel tanks on heavy goods vehicles. As he will be aware, there are a number of regulations on ensuring that HGVs are safe, and he will be interested to know that EU harmonisation rules mean that over the next three years those standards will become even tougher. I am very happy to talk with the hon. Gentleman, who has an interest in this area, to see how we can maintain a balanced and informed debate on how to improve road safety.

Jacob Rees-Mogg (North East Somerset) (Con): May I add my name to those of my right hon. and hon. Friends in commenting on our sympathy for the bereaved and our praise of the security and emergency services in Somerset, particularly the Avon and Somerset constabulary? May I also thank the Secretary of State for being calm in her approach and for being willing to look at the evidence, particularly in relation to the 80 mph speed limit? I do not think that now is the time to be dwelling on those issues, but a full and thorough review must be the right way forward.

Justine Greening: I agree with my hon. Friend. Critically, we must bear in mind that safe driving on motorways is not simply about the maximum speed limit; it is also about smart driving—not driving too close to people in front and braking in a way that is not too quick and that surprises motorists behind. There are an awful lot of different aspects of safe driving on motorways. In fact, we are already considering whether we can ensure that learner drivers have some experience of driving on motorways as part of their training. That proposal has been put to us. We can do a number of things to improve the situation. Clearly, it is important for individual drivers at all times to bear in mind that although there is a speed limit, they must drive according to the conditions of the road and the weather.

Alison Seabeck (Plymouth, Moor View) (Lab): May I thank both Front Benchers for voicing so clearly the sentiments felt on both sides of the House for all those involved? Crash barriers save lives, and they are particularly well designed in the UK. We can see from the pictures that the crash barriers prevented vehicles from going on to the southbound carriageway. However, a degree of compression was caused by having crash barriers on both the hard shoulder and the central reservation, where we expect them to be. Such compression exacerbates the potential for fire to spread, as people are funnelled into a particular spot. As part of the Secretary of State's investigation, will she look at whether having crash barriers on both sides of the road had any impact on the spread of fire among vehicles?

Justine Greening: The hon. Lady is right to point out that the Highways Agency must manage risks. The crash barriers are on the side of that particular stretch of motorway because there is a steep bank. She raises the issue of the compression of vehicles, but alternatively, had the barrier not been there, the risk is that vehicles would have gone down the bank. Nevertheless, the police were quite careful to ensure that they looked around the banks to see whether there were any injured people or fatalities who were not on the motorway itself. The Highways Agency takes a risk-based approach to such things, which is what it had done on that particular stretch of motorway.

Neil Parish (Tiverton and Honiton) (Con): I agree with the whole House on our heartfelt sympathy for those who lost loved ones in this absolutely terrible crash. I congratulate the emergency services, which

[Neil Parish]

were there within four minutes, which is an excellent response. As other hon. Members have said, the M5 is the great arterial road into the south-west. However, we need to look not only at the M5, but at the A30 and A303, because they are also major roads into the west country.

Justine Greening: I thank my hon. Friend for those comments. It is important that we look across the road network to ensure that roads are maintained safely. As I have said, it is important that we wait for the police to go through their investigation into this particular incident, which could take some weeks, before we can draw conclusions on any actions that need to be taken.

Nia Griffith (Llanelli) (Lab): This tragic accident is a salutary reminder to every single one of us just how easy it is to go from cruising along a motorway to ending up in a pile-up. Although I would not make any comment on the initial causes—it is not appropriate for any of us to do so—and although I hear what the Secretary of State says on the complexity of the speed issue, will she remember that faster speeds mean longer stopping distances and greater impacts on collision, and will she abandon plans to raise the speed limit on the motorways?

Justine Greening: As I have said, it is far too early to jump to conclusions about the possible cause or causes of the accident, but I can reassure the hon. Lady that I take road safety incredibly seriously, so I shall, of course, always ensure that I am happy that the measures that we introduce are appropriate.

Mr Tobias Ellwood (Bournemouth East) (Con): I join the Secretary of State in paying tribute to the emergency services and in offering my condolences to those affected by this terrible tragedy. Stopping distances are critical. A growing trend on all motorways is the fact that cars drive in such close proximity one behind the other. May I invite her to consider the increased use of chevrons painted on the road, which encourage individuals to think more carefully about their distance from the car in front, allowing that critical stopping distance and therefore saving lives?

Justine Greening: We are in the middle of several pilots considering whether chevrons can help drivers work out how much space they need. One of the challenges is that heavy goods vehicles need much longer stopping distances than cars, which is something to bear in mind as well, because there is no point in cars stopping in time after an accident if the HGVs behind have not left themselves enough stopping distance.

Mr David Hamilton (Midlothian) (Lab): I congratulate the Secretary of State on how she has approached this subject, and echo the comments that have been made today. There will be a report, and I thank her for saying that she will return to the Chamber, but will she also indicate whether she will include Members of the Scottish Parliament, Welsh Assembly and Northern Ireland Assembly, so that best practice can be rolled out throughout the UK?

Justine Greening: I shall ensure that we share best practice more broadly. Obviously, I know that the devolved authorities take their own decisions in this area, but I think that they will be happy to learn any lessons that can be learned.

Dr Andrew Murrison (South West Wiltshire) (Con): This major incident involved emergency services from across the region. I pay tribute to them. What support will be available to them and to members of the public, including one or two of my constituents, involved in this terrible tragedy?

Justine Greening: My hon. Friend is right to raise that point. It was one that I particularly raised with the local hospitals involved, Assistant Chief Constable Bangham and the Highways Agency, and I can provide reassurance that the necessary support will be in place. Of course the emergency services are used to dealing with very serious and harrowing accidents, but they would recognise that this was a particularly large and challenging one. Although many people in the emergency services have attended many such accidents in the past, there are some accidents that require support to be in place, and this was one of them.

Adam Afriyie (Windsor) (Con): Emma Barton lies in hospital in a coma. She lost her mother a few months ago, and she lost her father and sister in this accident. It is easy in these debates to think of such accidents merely as statistics, so I want to put on the record my condolences to any family she has left, and to her friends and other relatives. I commend the tone in which the Secretary of State made her statement today. Will she join me in ensuring that any additional services that may be required for people involved will be provided?

Justine Greening: I can absolutely confirm that. I understand that Emma Barton's boyfriend is with her in the hospital. My hon. Friend's points underline how for some people this is an unfolding drama: there are some in hospital who, because of their condition, are unaware that they have lost their nearest and dearest. That is another reason why it is right to approach any debate on road safety in an incredibly sensitive manner until the police have had time to conduct their investigation.

Bob Russell (Colchester) (LD): Successive Governments over the past 40 years can be commended on how they have approached road safety. The number of road deaths last year was the lowest since records began 85 years ago, and by the time the previous Labour Government left office, the annual death toll on our roads had been virtually halved. The Secretary of State said that she attached an extremely high priority to road safety, and I welcome that, but there is no need to speculate because it is clear from all the evidence that if an 80 mph speed limit is introduced on our motorways, if moving traffic is allowed on to hard shoulders, and if there is a reduction in the frequency of MOT vehicle roadworthiness tests, the number of deaths, injuries and crashes will rise. Given the increase in the number of serious injuries and deaths in recent months, does she agree that it would be criminal to pursue those three objectives?

Justine Greening: There is not much that I would like to add at this point. We need to let the police get on with their investigation, rather than prejudging what they might say were the causes of the collision. The other point is that the pilot on hard shoulder running, on the M42, proved it to be safer.

Sir Peter Bottomley (Worthing West) (Con): The public tragedy of these seven deaths, so far, needs to be considered alongside the 35 private tragedies—the average number of deaths per week—in comparison with the 107 deaths each week 25 years ago. I commend my right hon. Friend for saying that we want to look for the causal factors and then consider what further measures we can take. However, will she get the Government to consider whether the question of the change from summertime to wintertime, which brings with it an average death cost in this country of 70 lives a year—two weeks' worth of deaths—is worth returning to in time? I do not want an answer, or a promise to do it, straight away, but that is one of the decisions that the House could take, and it would save a significant number of lives.

Justine Greening: My hon. Friend, as a former Minister with responsibility for roads, always has an important point to make. I am aware of the arguments about daylight saving time—there are arguments on both sides—but obviously we have to be conscious of how any change would affect not just the south of our country but the north. I have no doubt that we will continue to have that debate over the coming months.

Iain Stewart (Milton Keynes South) (Con): I very much agree with my right hon. Friend's comments about considering road safety measures more generally and not just speed limits, but may I urge her, as part of her review, to consider the system in France, where they have two levels of mandatory speed limit on motorways—an 80 mph limit for fair-weather driving and a considerably lower limit for adverse conditions?

Justine Greening: I have considered that. In fact, I was in discussion with the AA over the weekend to hear its views on HGVs and the speed limit. It has supported variable limits. However, it made another point too. Organisations such as the AA think that drivers can take decisions for themselves about the right speed to drive at, and that is something that we should be trying to build upon. It is important that drivers take responsibility for driving in a way appropriate for the road conditions.

Mr Rob Wilson (Reading East) (Con): In the context of getting to the truth of what happened in this dreadful accident, will my right hon. Friend tell us whether CCTV or traffic cameras were in operation along that stretch of the M5? If so, are they being used as part of the inquiry?

Justine Greening: When I went to the Highways Agency yesterday I saw some of the monitors on which the footage from those CCTV cameras can be viewed. People are viewing that footage, but the main challenge is that it was dark, which means that the information in the images is less than was hoped for. None the less, that footage will definitely be looked at to see whether it can provide any information that can feed into the inquiry.

Karen Bradley (Staffordshire Moorlands) (Con): I associate myself with the words of sympathy being expressed across the House. Does the Secretary of State agree that while the facts remain uncertain and emotions remain so raw, it is inappropriate for lobbyists and lobby groups to use this terrible tragedy to further their own campaigns?

Justine Greening: We all need to be conscious of our responsibility to approach road safety in a balanced, informed and sensitive way, given the tragic collision on the M5 on Friday, and I hope that the House will show leadership in doing just that.

Mark Pawsey (Rugby) (Con): I was travelling southbound on the M5 in Somerset on Friday evening and was diverted from the motorway, which meant that thankfully, unlike the hon. Member for Wells (Tessa Munt), I did not have to see the incident that led to loss of life. However, I did see a multiple collision in queuing traffic, which added to the demands on the emergency services that night. As part of a review, will the Secretary of State consider what steps could be taken to improve warnings and information for other road users, so that they can be better prepared for what is up ahead?

Justine Greening: My hon. Friend is right to raise the subject of information. It is not just when there are accidents that it is good to give motorists additional information so that they can make their own decisions about how to avoid a congested area. I would also like to look into how we can get better information to motorists on a daily basis, because it can help whatever the driving circumstances.

Stephen Hammond (Wimbledon) (Con): I welcome my right hon. Friend to her place, endorse her remarks, echo her condolences to the families, and commend her statement. It is absolutely right to take a calm and measured approach towards making road safety the key priority. Given some of the increases in braking technology, for instance, I am sure that she will have the support of the whole House if she does not rush to early conclusions on the remarks about speed at this stage.

Justine Greening: We have always said that any decision we took would follow a consultation, and that is right. These are important areas to get right, and they require a balanced approach. That means understanding all the downsides and upsides before any final decision is taken. I can therefore assure my hon. Friend that we will go through the right process before we take any decisions.

Dr Julian Huppert (Cambridge) (LD): I would like to add my condolences to those affected by this awful tragedy, which is a serious reminder of the continuing toll on our roads. Just last year, in 2010, there were 1,850 deaths and more than 200,000 injuries, or some 600 every day. Mechanical failure contributed to some of those casualties. Will the Secretary of State join me in celebrating the success of the MOT test, which helps to improve safety standards?

Justine Greening: The MOT test has been in place for many years, and of course it plays a role in ensuring that cars are roadworthy. However, we should also recognise its limitations, and the fact that motorists will

[Justine Greening]

always need to take the necessary steps to ensure that their vehicles are roadworthy in between tests. If there are indications to suggest that a vehicle is not roadworthy, it is the motorist who has the responsibility to ensure that it is checked by a local garage.

Bob Stewart (Beckenham) (Con): Twenty-nine years ago I had the sad responsibility of identifying several friends who had been killed in circumstances similar to those on the M5 last Friday. Does my right hon. Friend agree that we must not forget those who had the sad responsibility, if not duty, of identifying their friends or family members, or the calm courage that they needed to go through that awful process?

Justine Greening: My hon. Friend is right, and that is one of the reasons why we have to approach this in a measured way. In fact, the formal identification process is still under way for many of those families. Only once we have got through that, and the pathology, can the coroner for the south-west start his inquest, which we would hope can take place later this week. Many of us cannot even begin to understand what it would be like to go through such a traumatic experience, and we always have to bear that in mind.

Mr Philip Hollobone (Kettering) (Con): My right hon. Friend is fortunate to have as the Minister with responsibility for roads the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), who, as a former professional firefighter, brings his personal knowledge and experience to this issue. We have heard from several Members today that one of the sad features of this tragedy was the extent of the flames and the inferno that resulted. Will the Secretary of State ensure that the inquiry asks not just how we can prevent such crashes from happening, but how we can prevent vehicles from bursting into flames?

Justine Greening: My hon. Friend is right on two counts. First, we have a Minister with responsibility for roads who is perhaps uniquely placed to bring his insights to bear in dealing with such incidents. His visit to the site the day after the accident was vital in giving us the assurance that the necessary steps were being taken. In relation to the fire, there is no doubt that the police will look into not just the precise circumstances that led to the collision, but why things unfolded as they did. As I have said, HGV fuel tank standards will be toughened and get progressively better over the next three years. That is obviously good news, and appropriate, and if there are further lessons to be learned, they will be.

Chris Kelly (Dudley South) (Con): May I join in the expressions of condolence? What is the scope for increasing the number of miles of lit motorway in this country?

Justine Greening: Again, there is a danger of jumping to what the solutions could be following the police investigation. Suffice it to say, however, that I am of course open-minded about taking any steps that we think can improve road safety and ensure that we maintain—indeed, improve—our road safety record.

LOCALISM BILL (MONEY) (NO. 2)

Queen's Recommendation signified.

Resolved,

That, for the purposes of any Act resulting from the Localism Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred by a Minister of the Crown under the Act.—*(Jeremy Wright.)*

LOCALISM BILL (PROGRAMME) (NO. 3)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Localism Bill for the purpose of supplementing the Orders of 17 January 2011 (Localism Bill (Programme)) and 17 May 2011 (Localism Bill (Programme) (No. 2)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion at 10.00 pm at this day's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(Jeremy Wright.)*

Question agreed to.

Localism Bill

Consideration of Lords amendments

Mr Deputy Speaker (Mr Nigel Evans): I must draw the House's attention to the fact that financial privilege is involved in a substantial number of Lords amendments, which will be listed in the *Official Report*. If the House agrees to the amendments, I shall ensure that the appropriate entry is made in the *Journal*.

[Following are the Lords amendments in which financial privilege is involved: 3 to 12, 23, 29, 40, 49, 50, 54 to 60, 62, 64, 66 to 69, 72, 74 to 115, 131, 148, 150, 157 to 165, 225, 226, 250 to 254, 257, 260, 294, 295, 302, 312, 334, 335, 337 to 344, 349, 371, 376, 377, 387, 389, 395, 399 to 402.]

Clause 9

GENERAL POWERS OF CERTAIN FIRE AND RESCUE AUTHORITIES

6.27 pm

The Minister of State, Department for Communities and Local Government (Greg Clark): I beg to move, That this House agrees with Lords amendment 1.

Mr Deputy Speaker: With this it will be convenient to consider Lords amendments 2 to 13, 231 to 233, 242 and 399 to 403.

Greg Clark: For the best part of a century, most Bills that have passed through this House have taken power from communities and councils and given more power to central Government, or in some cases to European government. This is an historic Bill, not just for the measures it contains but for what it represents. It is about striking out in a different direction. Power should be held at the lowest possible level. We want this to be the first Parliament for many years that, by the end of its Sessions, will have given power away.

That is true for many of the Bill's provisions—the community right to challenge; the community right to bid for assets of public value; the abolition of regional spatial strategies; the introduction of neighbourhood planning—but nowhere is it more significant than in clause 1, which deals with the general power of competence. The general power of competence changes the default position. Currently, local government exists to do the things that central Government require it to do. Clause 1 turns that default position upside down. Local government can do the things that it thinks are right, unless they are positively banned. What is not forbidden is permitted. The question for councils is not, "Can we do this?" but, "How can we make it happen?"

6.30 pm

I am pleased to see across the Chamber veterans of our many hours in Committee, including the hon. Member for Birmingham, Erdington (Jack Dromey). The Bill has enjoyed 70 hours of scrutiny in the House of Commons and 105 hours of scrutiny in their lordships' House. It has also been the subject of advice from many outside groups. As colleagues who served on the Committee will know, I have always taken the view that, if we are going to make use of that parliamentary time and engage with a large number of submissions from outside groups, it behoves the Government to listen to the sensible suggestions that have been made, and to the constructive advice we have received, with an open mind.

There is a form of Bill-handling in which it is seen as the Bill Minister's responsibility to carry the Bill through its every parliamentary stage as though it were a Ming vase, to repel boarders and to keep people away from it so that emerges intact at the other end. That has never been my view. I think that it is right to listen to constructive suggestions, of which there have been many during the Bill's progress.

I want to pay tribute to the scrutiny that all members of the Committee performed. I am sorry to see that the hon. Member for Worsley and Eccles South (Barbara Keeley) is not in her place tonight, because she approached her responsibilities with the utmost dedication and forensically scrutinised the Bill. We all know that the Opposition lack the excellent resources provided to the Government by civil servants, so I would like to pay tribute to her leadership on the Bill from the Opposition Front Bench. We do, however, have the benefit of the presence of the hon. Member for Birmingham, Erdington, although the hon. Member for Plymouth, Moor View (Alison Seabeck) has been moved to other duties. He is therefore the last man standing, and I am glad that our team is intact. Much rests on his shoulders, and we are grateful for his contribution.

In the House of Commons Committee, we strengthened the Bill, especially in relation to the duty to co-operate. We had some very productive discussions on that, in which we established agreement with hon. Members across the House. On Report, we said that we would consider the neighbourhood planning aspects of the Bill in the House of Lords, because some of the amendments that were suggested by Members on both sides of the House required greater technical reflection. Many of the amendments that we shall consider today deal with those matters.

The process has been productive. Looking at the report of the Third Reading debate in the House of Lords, I was struck by some of the comments. Lord Best, speaking on behalf of the Cross Benchers this time last week, said that

> "the key role of this House in scrutinising legislation has been wonderfully illustrated by the progress of the Localism Bill. I have been given a list of 10 major issues that were originally of considerable concern to the Local Government Association, for example, and on which that body, representing local authorities up and down the land, now feels reassured and to a very large degree satisfied with the legislation as it now appears. The same kind of list could have been devised by a number of external agencies, with the same satisfaction rating at the end of that."—[*Official Report, House of Lords*, 31 October 2011; Vol. 731, c. 1106.]

Lord Tope, my noble Friend on the Liberal Democrat Benches, said that

> "we are now sending something like 100 pages of amendments back to the Commons. What is more notable is that all those amendments have been passed without the need for a vote; in other words, we have truly reached consensus."—[*Official Report, House of Lords*, 31 October 2011; Vol. 731, c. 1107.]

The Labour Front-Bench spokesman, Lord McKenzie of Luton, said:

> "It has been a listening team, which has boded well for the outcome of the Bill… The Government have listened to the voices of experience and common sense."—[*Official Report, House of Lords*, 31 October 2011; Vol. 731, c. 1108.]

That has been our demeanour throughout the proceedings, and it will continue to be our demeanour as we approach the matters before us today. I see from the amendment paper that suggestions from colleagues on both sides of the House have serious thought behind them, and I will respond to them constructively and positively.

Having dealt with the general power of competence, let me turn to some of the amendments in the group, starting with those that cover transport. There was extensive discussion in the other place on the general powers, and it was argued that the general power of competence should be extended beyond the local authorities that were in the original drafting of the Bill. Lords amendments 4, 5 and 7 therefore extend broad new powers to the integrated transport authorities and their passenger transport executives. These points were also raised by Opposition Front Benchers in Committee. The provisions will enable authorities to undertake ancillary and possibly joint activities outside their geographic boundaries, for example. This will improve and strengthen the Bill in the direction that we have set out, and I am pleased to commend those Lords amendments to colleagues today.

We agree with Lords amendment 6, which proposes to extend the general powers of competence to, for example, combined authorities. We know that Greater Manchester has established very satisfactory arrangements for joint working, and it is reasonable that those powers should be extended to such arrangements. Lords amendments 8 to 13, 242 and 399 to 402 have been termed collectively the "core cities" group of amendments. They represent a significant breakthrough. During the passage of the Bill, it was clear to those on all sides that we had an opportunity to embed mechanisms to allow the future devolution of power from central Government to local government. Working over the summer with the representatives of the Core Cities Group and the leaders of local authorities, from all parties, across the country, we were able with the co-operation of Front Benchers of all parties represented in the House of Lords to agree a set of amendments that will allow for the transfer of public functions and the delegation to local authorities, by agreement and subject to a super-affirmative procedure.

This is an important new power. It will allow us to enact, without the need for primary legislation, agreed transfers of power between local authorities and central Government. Those transfers of power might not be obvious today. I have encouraged particular cities across the country to consider which powers that are currently held by central Government they could usefully discharge themselves. This mechanism will give us the opportunity to allow them to do so, and I should like to put on record my gratitude to the leaders and officers of the Core Cities Group for their help.

A few technical amendments in this group respond to recommendations of the Delegated Powers and Regulatory Reform Committee. On Second Reading and in Committee, we had much to say about the so-called Henry VIII powers that were to be made available to the Secretary of State. My view at the time was that we should go through them individually, and that those that were proved unnecessary or superfluous should be removed as the Bill progressed through the House.

We have delivered on that commitment. A substantial number of those powers have now been narrowed in scope or, in some cases, removed. For example, Lords amendment 231 will ensure that orders made under the Bill are subject to the affirmative procedure. That power will allow the Secretary of State to amend or repeal any power that overlaps with the general power of competence, but it will require the affirmative procedure to be employed. Lords amendment 232 will remove an exception that permitted orders to be accepted through the negative resolution procedure. I will not go through all the amendments, but I think that Members will acknowledge, as did their lordships, that we have responded to the concerns that many hon. Members expressed about the nature of the powers reserved to the Secretary of State. Benign though the present Secretary of State is, there was a fear that some future Secretaries of State might not be as localist in their intentions. Those provisions will now be safeguarded in the Bill.

The final amendment in the group will remove all doubt that fire and rescue authorities should not be able to charge for community fire safety advice or for fire prevention activity. This matter was raised in the other place by Baroness Smith of Basildon, a former fire Minister, and we have been pleased to introduce the provision.

I am grateful for their lordships' scrutiny. I am especially grateful to the Front-Bench team that represented the Government so well. It was led by Baroness Hanham and supported by Lord Taylor, Lord Attlee and Lord Shutt. We urge colleagues to agree to the Lords amendments in this group.

Helen Jones (Warrington North) (Lab): The Minister always sounds terribly reasonable and persuasive, and one could almost fall for his view that the Bill is a Ming vase. In fact, it is really a dodgy, cracked, second-hand urn. He has had to amend it hugely in the other place.

I do not wish to detain the House too long on this group of amendments, as we have a lot to discuss, but I want to put on record the fact that we are deeply concerned at having only three and a half hours tonight in which to discuss more than 400 amendments. The Minister referred to the scrutiny that the Bill has already had, and we absolutely accept that several statements had to be made today, but we had hoped that the Government would extend the time available for these discussions. Dealing with over 400 amendments in three and a half hours really does not improve parliamentary scrutiny. It was heartening when we constantly heard from the Prime Minister before the election how much he wanted to return to Parliament many of its powers and to improve parliamentary scrutiny—but we have never seen it from this Government. We did not see it with the Health and Social Care Bill and we are not seeing it with the Localism Bill.

The Minister would have us believe that this is an historic Bill that returns power to the lowest level. In fact, it is not. It is a Bill about centralising power and devolving the blame. *[Interruption.]* I knew I would upset the Minister eventually; it was only going to be a matter of time. We welcome some of the Lords amendments, but we have to make it clear that we still think this Bill is shambolic and has not been thought through. The fact that the Government had to make so many amendments in the other place shows how little they thought about it to start with.

Let me deal with some of the issues in this group of amendments. We welcome the extension of powers for integrated transport authorities and passenger transport executives and for combined authorities, for which we argued in Committee, as the Minister will remember. It is a bit of pity, I think, that the Government resist such provisions in Committee and then wait to bring in the amendments from the unelected House.

Greg Clark: We discussed these matters quite extensively in Committee. I think there was a shared view across the Committee that where the Government agree with some amendments proposed by Members, the convention is that they should reflect on them to ensure that they are legally robust. That is an established process, and throughout proceedings on the whole Bill, as I think the hon. Member for Birmingham, Erdington (Jack Dromey) would agree, I have honoured every commitment I made from the Front Bench—for example, that we would consider any suggestions positively. That is why we have come back with these proposals. We have delivered on every commitment we made, so it is a little churlish of the hon. Lady to suggest that it was somehow delayed.

Helen Jones: I remind the Minister that there is such a thing as Report stage in the elected House, and that he is allowed to propose amendments there—he does not have to wait for the Bill to go to the unelected House. He could have accepted amendments at that stage. He says he has to make sure that things are "legally robust", which Ministers often say, and I must be frank with him and point out that in my experience it is often used as a delaying tactic while Departments sort out what they are prepared to agree to and what they are not.

We welcome amendment 3, which makes it clear what fire and rescue authorities can charge for and prevents them from charging for community fire safety work. I am glad that the Minister listened to my noble Friend—not simply a turn of phrase, as she is my friend—Baroness Smith in the other place, as she has great experience in these matters.

Greg Clark: The hon. Lady has pointed out that her noble Friend is indeed in the House of Lords. Unlike her, I am prepared to listen to the House of Lords. What the Baroness said would not have been heard in the House of Commons.

Helen Jones: I am grateful to the Minister for that intervention, but while their lordships add much to our debate, there is something to be said for letting the elected House deal with these amendments properly. He has brought them back from the House of Lords and more than 400 amendments are going through in three and a half hours. That does not strengthen the position of the elected House.

The Minister also mentioned the core cities provisions. We welcome the powers to authorities proposed in the amendments, especially where they would improve local economic development and wealth creation and increase local accountability. We hope that the powers will be used to ensure better co-ordination on the ground. We note the duty on the Secretary of State to consider a proposal from local authorities for the transfer of public functions.

We think that there is much potential in those proposals, but they have to be seen in context. As I said, this is a Bill that gives more than 142 new powers to the Secretary of State. It is not simply a Bill about devolving powers to local authorities. The Secretary of State retains, albeit subject to certain safeguards, an extraordinary power to repeal, amend, revoke or disapply any duty on local authorities.

6.45 pm

We do not intend to oppose the amendments, but we think they have to be seen in the context of the extraordinary Henry VIII powers that the Secretary of State still retains. I repeat that, however much the Minister tries to persuade us, he is not introducing an historic Bill that devolves lots of powers to local authorities. He is introducing a Bill that gives many more powers to the Secretary of State. Everything we debate this evening will have to be seen in that context.

Lords amendment 1 agreed to.

Lords amendments 2 to 13 agreed to, with Commons financial privileges waived in respect of Lords amendments 3 to 12.

After Clause 13

TIMETABLES FOR CHANGING ENGLISH DISTRICT COUNCILS' ELECTORAL SCHEMES

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): I beg to move, That this House agrees with Lords amendment 14.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient to discuss the following:

Lords amendments 15 to 49 and 95 to 111.

Lords amendment 112, and amendment (a) thereto.

Lords amendments 235, 248, 256, 261, 263 to 333, 404 to 413 and 441.

Andrew Stunell: As my right hon. Friend the Minister eloquently set out in respect of the last string of amendments, the Government believe that we need to decentralise power to local communities. I think that is now a shared all-party analysis, that the days of top-down control should be removed and that we should move to bottom-up control.

For the last 30 or 40 years—my right hon. Friend suggested perhaps for the last 100 years—there has been gathering frustration at the way in which local communities and local councils have had their decision making taken away from them and their power denuded, and, particularly for those in local government, how they have increasingly faced a situation in which everything they did was either compulsory or prohibited with no scope for local discretion or for taking account of local circumstances, local needs, local resources or, indeed, local opinion.

The communities that local authorities have served have had the role of angry bystanders, whereby things were simply done to them, imposed on them or dumped on them—not done by them, decided by them or, least of all, chosen and delivered by them. This Bill marks a huge cultural change not just for those local communities and local councils, but for those in Westminster, and perhaps even more for those in Whitehall. We need to change that culture: it is a long overdue change, and this Bill makes a start on achieving it.

[Andrew Stunell]

I am encouraged by the fact that the criticism of Opposition Members is now that we are not going far or fast enough, when, in fact, over the last 13 years, they made the problem worse, not better. We look forward greatly to their co-operation in this place—as it was so willingly offered in the other place—so that we can improve the Bill, make it even more localist, and deliver for local communities and local councils.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): As the Minister will know, the amendments include a requirement for the deletion of clauses 42 to 58, the local referendum provisions. Does he regard that as an enhancement of local decision making, an embarrassing withdrawal from a rather bizarre and ill-thought-out proposal for local decision making, or simply a recognition of a cock-up on the Government's part?

Andrew Stunell: Given that the right hon. Gentleman spoke and, I believe, voted against the inclusion of that provision in the Bill, I should have thought that he would welcome the fact that the Bill in its present form reflects his point of view more accurately than it did before.

The amendments take the power and local responsibility of local authorities further than the Bill as originally drafted. Although the original Bill set out to achieve that, we always made it clear that there was more to do, and that we were willing to listen when there were sensible arguments for going further. That is what underlies the amendments, all of which—as was pointed out by my right hon. Friend the Minister—secured support throughout the other place. During the debates both here and in the other place, a number of Members of both Houses made sensible suggestions about additional areas in which we could free up local government. Let me highlight two examples in which the Bill now goes even further than we originally proposed in freeing local authorities to manage their own business as they consider appropriate.

Good arguments were advanced in the other place in support of the view that the rules on area committees were too prescriptive. In response, the Government tabled Lords amendments 269, 271 and 272, which remove the Secretary of State's powers to make regulations in relation to such committees. When we were discussing the earlier group of amendments, the hon. Member for Warrington North (Helen Jones) maintained the argument—which does not bear close examination—that, in some mysterious way, inserting these proposals in the Bill, and improving them today, constituted an act of centralisation. Nothing could be further from the truth: our amendments relating to area committees demonstrate not just our intentions, but our delivery of increased localism for local authorities.

Good arguments were also advanced in the other place for the view that the rules on area committees were too tight. We therefore tabled Lords amendments 263, 267 and 270, which enable an executive of a local authority to delegate its functions to an area committee and to arrange for the discharge of those functions by an officer of the authority. That enables councils to establish whatever area committees they wish to establish, and to give them whatever executive functions they consider appropriate, without asking the Secretary of State for regulations or permission. Lords amendment 273 also removes the restrictions on the maximum size of area committees.

The Bill gives more powers to local authorities in respect of local elections. We have responded to representations about unnecessary restrictions on authorities wishing to change their scheme of elections, and the significant time constraints that were built into that scheme. Lords amendment 14 removes the rules stipulating when authorities may change their scheme of elections. It leaves them to make such decisions at a time that is right for them and their local communities without being dictated to by central government, and enables them to decide the date on which they will hold their first whole council elections.

Members of both Houses expressed the fear that the Government's proposals would place unnecessary burdens on local authorities. We reflected carefully on those arguments, and discussed them at length with appropriate parties both inside and outside the House of Commons. One example relates to the point raised by the right hon. Member for Greenwich and Woolwich (Mr Raynsford) about the proposed mayoral arrangements. As a result of comments made on Report—by the right hon. Gentleman, among others—and on Second Reading in the House of Lords, we agreed to streamline our proposals for elected mayors. Lords amendment 312 and a number of consequential amendments remove our initial proposals on shadow mayors as precursors to directly elected mayors, while Lords amendments 94 and 296 and a number of consequential amendments remove our proposals on mayoral management arrangements, under which the elected mayor would also have become the chief executive of his or her authority.

Mr George Howarth (Knowsley) (Lab): May I ask the Minister a question about Lords amendment 112? As he will know, there are proposals—which are not universally accepted—for a directly elected mayor for the Liverpool city region. There is some support for them, and I support them in principle. Would the amended provisions make possible the creation of a directly elected city region mayor, but only on the basis that the powers of that person in regard to such important matters as transport, police and fire and rescue services are increased? Otherwise the amendment is pointless.

Andrew Stunell: The Bill does not encompass matters relating to city region mayors. That would require a separate provision. Let me, however, draw the right hon. Gentleman's attention to the amendments with which we will deal shortly relating to core cities, and to my right hon. Friend's request for the core city regions to consider what powers they might wish to take. There are various options, but I should make it clear that there is no proposal in the Bill for a city region mayor.

Under the Local Government Act 2003, local authorities can already conduct non-binding referendums on matters relating to their services or expenditure. In addition, the Bill gives local people powerful new rights to vote on key issues such as governance changes—for example, mayoral elections, council tax increases and, of course, neighbourhood plans. A number of members of the House of Commons Committee feared that, given those new rights, the provisions on referendums did not add enough to justify the additional burden. Similar observations were made in the House of Lords Committee, and, after careful reflection and discussion, we determined that the right course was to accept on Lords Report amendments 96 to 112 removing the provisions relating to local referendums. That does not change the provisions on council tax referendums, which are the vehicle that switches the power to prevent excessive tax rises from the Government and the Secretary of State to the local communities and electors who will be paying those bills if they vote for them.

Helen Jones: What is the Minister's response to the view of the Electoral Commission that if council tax referendums are introduced in 2012, the time scale will be too short to allow them to be prepared for properly? Will he listen to the commission's representations?

Andrew Stunell: We will, of course, take careful account of all the advice we receive. The powers are to be changed only in respect of non-binding referendums. The Government are committed to giving people a greater say, but local people currently have many good opportunities to speak out and be heard.

7 pm

Graham Stringer (Blackley and Broughton) (Lab): The Minister and I were involved in the congestion charge referendum in Greater Manchester, and I think we both had concerns about the returning officer's impartiality. Will the changes under discussion deal with situations such as that, where the returning officer was appointed by one side of the campaign and they operated from adjacent offices?

Andrew Stunell: The hon. Gentleman reminds me that we sometimes make common cause on issues, and he is right to say there were concerns about that. The provision in question removes the proposal for non-binding referendums. Other proposals remain in the Bill, and the referendum to which the hon. Gentleman referred was, I believe, carried forward under the 2003 Act, which we are not amending.

I shall now turn to the amendment proposed by the hon. Members for Richmond Park (Zac Goldsmith), for Cleethorpes (Martin Vickers), for Brighton, Pavilion (Caroline Lucas), for Romsey and Southampton North (Caroline Nokes), for Clacton (Mr Carswell) and for Colne Valley (Jason McCartney)—and, I believe, supported by the hon. Members for Shipley (Philip Davies) and for Kettering (Mr Hollobone). It seeks to add to the Bill a scheme of binding local referendums. The Government are committed to giving people a greater say in how their communities are run, but we do not believe that it is sensible to introduce binding referendums on any subject that might arise. Given the potential scope of the local issues that binding referendums might cover and the many complex impacts that such a regime could have on local service delivery and local public finances, it would be unwise for there to be a presumption that all local referendums should be binding. There could be occasions where there are two competing referendums with potentially conflicting aims. There could be occasions where the course of action requested has significant cost implications and would have an adverse impact on the delivery of other services or priorities. Ultimately, it is the role of councillors to take decisions by balancing the various views of citizens alongside the needs of the community, particularly where there is no consensus, and those councillors are ultimately responsible to local people for their decisions through the ballot box. I hope the signatories to the amendment in question will air their points of view, but I hope they will not force a Division.

Alec Shelbrooke (Elmet and Rothwell) (Con): I congratulate my hon. Friend on making those comments. It is important that such referendums be non-binding, especially when we consider cities such as Leeds, part of which I represent, where there are many diverse communities. In times of economic trouble, it is easy for a blame culture to arise, and I can envisage situations in which some might try to use hate in a referendum campaign. If referendums were binding, that could cause a problem.

Andrew Stunell: I thank my hon. Friend for that wise remark. One can envisage such binding referendums having a variety of unintended negative consequences.

The issue of standards was keenly debated in both Houses. Members and peers made it clear that they supported the abolition of the Standards Board regime and the removal of what was a top-down, bureaucratic system. However, concerns were raised about some aspects of our proposals to deal with local authority standards after the abolition of the Standards Board, and about whether they would ensure the high standards we all expect of local authorities. There was, however, much common ground and we were able to refine and develop our proposals as the Bill progressed through the House of Lords, and thereby get to a position which reassured all parties. All sides agreed that the promotion and maintenance of high standards of conduct was vital; the debate was about how best to achieve that.

We have introduced amendments 29 to 36 to address these concerns. They focus on the offence of pecuniary interests, and ensure that there are appropriate defences, such as "reasonable excuse". In simplifying our proposals, we have ensured that councillors cannot use their position for financial advantage, but without the danger of criminalising a councillor for an honest oversight or omission.

There was a feeling that the provisions dealing with local authority standards after the abolition of the Standards Board needed to be set out in more detail. On Lords Third Reading, following meetings with peers of all parties and Cross-Benchers, the Government introduced amendments 15, 20 to 26, 7, 125, 332 and 333, strengthening the standards provisions in the Bill. Local authorities will now have to draw up a code of conduct in accordance with the Nolan principles of standards in public life, which I am sure I do not need to remind Members are selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Central Government will not otherwise prescribe its content, other than to require councillors to register and disclose both their pecuniary and non-pecuniary interests in an open manner. Local authorities will also have to put in place arrangements both to deal with complaints that the code has been breached and for coming to a decision about complaints. Again, we will not stipulate what these arrangements should be.

Heather Wheeler (South Derbyshire) (Con): I thank the Minister for the clarity he is giving. In respect of this provision, district councils have felt that there might have been some suggestion that they would have to have a standards board looking after parish council complaints. I am sure that is not the Minister's intention, however.

Andrew Stunell: It is neither our intention nor what is provided for in the Bill.

Graham Jones (Hyndburn) (Lab): May I extend that question? We are going to have neighbourhood forums in respect of neighbourhood development plans, and there is also an issue to do with community budgets and the Government asking for community groups to come together to spend local money—that was recently proposed by the Department for Communities and Local Government for deprived areas such as mine. Will such matters be the responsibility of the new standards arrangements? They will not fall under parish council responsibility; rather, they will be dealt with by the district council or the Government. How will they fit in with the standards arrangements?

Andrew Stunell: I think the hon. Gentleman might be confusing different processes. The Standards Board regime applied to councillors at parish, district and county level. We are sweeping away the Standards Board and making sure that local authorities put in place sound and sensible provision to safeguard the integrity of themselves and the members who serve on them.

To return to the question of my hon. Friend the Member for South Derbyshire (Heather Wheeler), district councils do not have to monitor parish councils. They do need to have in place arrangements to deal with allegations of misconduct by a parish councillor, but how they do that is up to them. We will expect district councils and parishes to work together to make arrangements as simple as possible.

Mr Clive Betts (Sheffield South East) (Lab): I welcome the fact that the Government at last recognise they may have some responsibility for appropriate standards being maintained in local councils. Can the Minister give an assurance, however, that where there is a serious complaint against a chief executive or leader of a council—perhaps about bullying of a junior member of staff or another councillor—the complainant will receive as robust an investigation into those complaints as under the current regime that the Government seek to abolish?

Andrew Stunell: Absolutely. We are clearly setting out what councils have to do and have in place, and the safeguard that they are required to provide.

On the application of the standards regime in London, we took the opportunity on Lords Report to make amendments 16 to 19, 28, 37, 408, 411 and 413, which ensure that the Mayor of London and the Greater London assembly are given equal roles in and responsibility for promoting and maintaining high standards, rather than leaving that function to be discharged by the assembly alone. The amendments also allow the assembly and Mayor to delegate functions to a committee or member of staff.

With these amendments, taken as a whole, we have achieved a balanced approach to the promotion and maintenance of high standards of conduct, with local authorities determining for themselves how best to achieve that. They will be freed up from the top-down, bureaucratic yoke of a national regime, of a model code and of a quango-regulated regime that became a vehicle for petty, vindictive and often politically motivated complaints. Our approach, which balances localism with safeguards, is the right one to ensure accountability locally and consistently high standards right across the country.

This group also contains a number of more minor amendments, many of them technical in nature, but I will mention one because it will be of particular interest to Labour Members. Lords amendments 38 to 43 introduce measures intended to increase accountability on local authority decisions about pay and reward. During the Commons' consideration, Labour Members welcomed these provisions, as far as they went, on senior pay and asked us to go further to see how the Bill could bring similar levels of accountability on the pay of the rest of an authority's work force. We committed to do so, particularly in the light of Will Hutton's review of fair pay in the public sector, which made several recommendations. Following the representations that we have received, and with that report as the background, we made amendments in the Lords which have the effect of expanding the scope of pay policy statements to include an authority's policies towards its lowest-paid staff, as well as the relationship between the pay of its most senior staff and the rest of its work force. I hope that Labour Members will agree that these sensible changes broaden the scope of the measures to capture the spirit of their comments and the Hutton recommendations.

In summary, this group of amendments will radically reduce the prescription bearing down on local authorities, freeing them up to serve their local communities better. I wish to pay tribute to the way in which hon. Members from all parties have—in Committee and on Report in this House, and in the other place—engaged with this part of the legislation to deliver a much-improved Bill. I urge the House to agree to these Lords amendments, and I hope that hon. Members will not press their amendment (a) to a Division.

Helen Jones: We are dealing with a broad group of amendments relating to local authority governance. I wish to begin by speaking to amendment 15, which would ensure that it is compulsory rather than voluntary for local councils to adopt a code of conduct. The subsequent amendments make it clear that the code of conduct must be in line with the Nolan principles and would ensure that arrangements are in place to investigate complaints against a member, including the appointment of an independent person whose view must be sought before action is taken. As the Minister said, this group would also allow the Mayor of London to exercise functions relating to standards and provides for a register of interests.

We welcome the amendments. It was bizarre that, in Committee, Government Members opposed the requirement to have a code of conduct—I found that extremely confusing. We accept, in this House, that we should be subject to clear standards of behaviour, but the Government were proposing that other elected representatives—people who deliver important services to their communities and take decisions that affect people's daily lives—should not face a similar requirement; a council might have a code or it might not. Such a situation is not acceptable. It fails to offer sufficient protection to the public and it implies that the standards regime is optional.

7.15 pm

In Committee, we heard all sorts of convoluted justifications for such an approach. The Minister said that the old system was

> "an almost constant source of irritation to almost every local authority."—[*Official Report, Localism Public Bill Committee,* 3 February 2011; c. 287.]

He is right about that—in my experience, it was usually the Lib Dems doing the irritating, because they were continually putting in complaints. He argued that authorities should have the freedom not to have a code of conduct, but that denigrates local government. He got very close to saying that local government was not important enough to be required to have a code of conduct. Nobody in Committee was standing up for the old system, but that did not mean that it was right not to have a code of conduct at all. Labour Members think it is a vital part of our democracy and deserves to be treated as such.

The Minister argued that there was no need for compulsion because everyone would have a code of conduct anyway, but that failed to answer the question of what would happen if they did not. We are pleased to see the amendments and to see that clause 18 sets out clearly that a register of interests must be maintained in an authority and how pecuniary interests must be disclosed.

Graham Stringer: My hon. Friend could not be more accurate, in that most of the vexatious claims under the previous legislation came from Lib Dem councillors who had lost the argument. Is she satisfied that these proposals contain a sufficient filter or enough common-sense criteria to reduce the number of vexatious claims from Lib Dem councillors or to stop such claims?

Helen Jones: The only people who can stop vexatious claims by Lib Dem councillors are the Lib Dems, but I am sure that as they dwindle away in local government so, too, will the number of claims from them.

These amendments are, no doubt, an improvement on the original Bill, but I have some reservations about how the system will work in practice. In particular, I wonder about the role of the "independent person" specified. He or she must have their views sought by the local authority before it makes any decision on an allegation. However, although their view must be taken into account, that person is not the decision maker and does not have the power to investigate. I accept that we do not want to set up a system that is too convoluted, but I foresee a real possibility of conflict. In most local authorities—in good local authorities—that person clearly will be involved, but there is no requirement for that to happen. In addition, that independent person may be consulted by those who are the subject of an allegation. That really raises the question of what the role is: is the independent person the judge, the defence counsel or merely a therapist for all those involved? It is very unclear and we will have to consider again how the arrangement would work in practice—it may be that more work than we intend will result for lawyers.

Lastly, I am concerned that, although we now have something about pecuniary interests in the Bill, there is little about non-pecuniary interests, other than the fact that the code of conduct must secure their disclosure. We may well discover that it is necessary to have a clear definition of "non-pecuniary interests", as we have in this House, for the sake of giving clarity to local councils and ensuring that minimum standards apply everywhere.

Let me address amendments 38 to 46 and 48, which the Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell) rather skated over. The Government did not want to accept this set of amendments either, but they have now been forced to do so. Originally, the Government intended to require local councils to publish only information about the pay of senior staff. The reason for that was very simple: they wanted to propagate the myth that councils would not have to make cuts if only they cut top salaries. Let us be very clear that that is a myth. Liverpool council has cut £500,000 from executive pay, but it is a drop in the ocean compared with the £100 million-worth of cuts that it faces.

Alec Shelbrooke: Does the hon. Lady think that local authority money is better spent on libraries or on an international relations department?

Helen Jones: I think that, as Ministers keep saying from the Front Bench, it is for local authorities to make decisions about their priorities—the hon. Gentleman cannot have it both ways.

Let me be clear that I believe that people have a right to know how their money is spent. My personal view is that pay at the top of local authorities has risen to an unsustainable level, but it has been following pay in the private sector. We ought to make it clear that more than 90% of those who earn more than £150,000 are in the private sector—not the public sector. It is very interesting that the Government do not say anything about that. Neither do they want to say very much about low pay in the public sector, because that does not fit the myths that they create.

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): I am shocked at how little attention the hon. Lady has paid to our debates up to now. Does she not recognise that when the hon. Member for Birmingham, Erdington (Jack Dromey) raised this issue, we said at a very early stage that we were more than prepared to take that away and consider it? The tone of her contribution is markedly different from the very constructive manner of her colleagues in Committee. We kept our promise: we have reflected and delivered.

Helen Jones: If the Government believed that this issue was so important, they could have put it in the Bill to start with, but they did not because their focus was all on pay at the top of local authorities and not on the low pay that is endemic at the bottom.

Greg Clark: Once again the hon. Lady is being rather churlish. The Hutton committee had not reported by that time. We made a commitment that we would consider

[Greg Clark]

the recommendations in good faith and we have done that, as is reflected in the Bill. It would be nice if she could be a bit more generous in her remarks.

Helen Jones: If, as the right hon. Gentleman says, the reason was that the Hutton committee had not reported, one would have to ask why the Government introduced specifications in the Bill about senior pay. They did so because they want consistently to promote the myth that councils would not have to make front-line cuts if only they would cut top pay.

We are pleased that councils will now have to set out details of who they regard as their lower-paid staff and their approach to the pay of those employees. They will also have to include a statement about their policy on pay dispersions—what used to be called differentials when I was negotiating. This is a real and growing issue in this country and people are extremely concerned about it. The amendments represent a very modest step, but at least they will make information available to the public and ensure that councils consider the issue. The publication of details about pay will expose the inequalities that prevail and encourage people to think about how many of the services they rely on are delivered by people on low pay. There are people out there who provide care for the elderly, clean our streets and empty our bins—people whom we take for granted but without whom our towns and cities would quickly cease to function—and they are often very low paid.

I regret that the Government have not seen fit to include the requirement for local government contractors to provide pay transparency if the value of their contract is in excess of £250,000. We argued in Committee for that to be included, because we believe that it is a matter of basic justice. We believe that those who are paid from public money should not be on poverty pay and that the firms that provide public services should demonstrate how they are spending our money. Contracts that are outsourced might seem like better value, but if they depend on low pay that is then topped up by benefits, not only are they an affront to the people who work in those services but they might cost more public money in the long run. The increase in the outsourcing of services has made this step even more important, because we want good companies to compete on quality and efficiency, not by undercutting pay levels and terms of service. The amendments will at least bring more transparency into the system, but it is a pity that the Government could not have extended the duty a little further.

Let me address the amendments that remove the details regarding local referendums, which really illustrate what a mess the Government have got themselves into with the Bill. A welter of amendments dealt with this issue in the Lords, although it was dealt with extensively in the Bill Committee both in the evidence it received and during its debates. The late Sir Simon Milton, for example, pointed out that a referendum in London could cost £5 million if held on the same day as local elections, but could cost £11 million if held on a different day. However, it took the Government some time to realise what a huge drain on a local authority's budget that could be. My hon. Friends also raised in Committee the huge costs that would be involved for local authorities, such as that for checking petitions for a referendum and for running the referendums. There was a real fear that the number of petitions and referendums would simply spiral over time. Even the leader of Shropshire council, who is a Conservative, warned that the costs could be "outrageous", but it took a long time for the Government to change course.

Underlying those provisions was the Government's failure to trust elected councillors to decide how to engage with their electorate. We still hear a lot from Government Front Benchers about devolving powers to local authorities, but it took them some time to realise that imposing this system on local authorities would have been unwise to say the least. Local authorities might want to use petitions, referendums or public meetings—whatever they wish—and, like all of us in elected office, if they do not get it right they pay the penalty at the ballot box. That is as democracy should be.

The Under-Secretary was adamant in Committee and would not budge an inch. I felt quite sorry for him, because he suffered the fate of many junior Ministers who are sent like officers on the Somme to defend an indefensible position until those above them finally decide that they ought to give way. Indeed, I am surprised that he is still here, because I understand that at the weekend the Lib Dem leader in Broxtowe called for him to resign following his performance. In Committee, the Under-Secretary would not accept the dangers of what he was proposing. However, there were risks that highly vocal pressure groups that did not necessarily represent the wider community—certainly not the whole authority area—could use the measures, so there was potential for whipping up feeling against necessary, but sometimes unpopular, provision.

I recall examples that I have dealt with regarding housing for people with mental health problems in the community. My experience has been that the idea is usually unpopular because of the misconceptions about mental health that many people hold, but that if one talks to neighbours and tries to deal with their fears, that usually works. Once people are settled in their homes, overwhelmingly the community around them is very supportive and helpful. One could not do that sort of work in the face of a polarising referendum, which some people might whip up for their particular ends. No one is saying that a referendum is always a bad idea, but there are many ways of engaging with voters and that is only one of them.

7.30 pm

If amendment (a) to Lords amendment 112 is put to the vote, we will oppose it for the reasons that have already been stated. We do not believe that imposing binding referendums on local councils is the way forward, because they can be misused, they can have an impact on services elsewhere and, as was said earlier, they may be used by people promoting racial hatred or for other purposes that we would consider inappropriate. In the end, the local council must take a decision and stand by it.

We welcome the amendments that remove the mayoral management arrangements from schedule 2 and delete the power of the Secretary of State to order that a specified authority must move to an elected mayor and cabinet system because, again, the original clauses clearly gave the lie to the idea that the Bill was about empowering local communities. On the contrary, it gave yet more power to the Secretary of State. The proposal to order a move to an elected mayor and cabinet was one of the most controversial in the Bill, together with the power to impose shadow mayors. I note that the Government are retaining the power to order an authority to hold a referendum on the subject because clearly they do not trust local councils, but at least we have seen some progress.

. It is astonishing how many U-turns Ministers have done on this issue. In 2007, the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill) told a Committee of the House:

> "I would prefer that the Government did not prescribe the governance system for councils at all."—[*Official Report, Local Government and Public Involvement in Health Public Bill Committee,* 25 February 2007; c. 251.]

I expect that, as the former leader of a local authority, he believes that, so I do not know what happened in the meantime, unless he was sat on by his right hon. Friend the Secretary of State for Communities and Local Government. The hon. Member for Hazel Grove (Andrew Stunell), who is now also an Under-Secretary of State for Communities and Local Government, told the same Committee:

> "governance should be entirely a matter for local councils"—[*Official Report, Local Government and Public Involvement in Health Public Bill Committee,* 20 February 2007; c. 269.]

I agree, but he is a Lib Dem, and we have all seen "Focus" leaflets which argue different things in different areas.

The real point about these proposals is that they were entirely undemocratic—a fact that was recognised clearly in the other place. They would not have given the decision to local people and would have given whoever was made the shadow mayor a huge electoral advantage in any poll that followed. We believe that that was an entirely unacceptable way of going about things. To add to the confusion, the Secretary of State and the Under-Secretary, the hon. Member for Bromley and Chislehurst, have both said on different occasions that a mayor and cabinet system would only follow a referendum of local people. That is typical of the mischief and muddle that have characterised the Bill. So bad were the Government's original proposals that even Tory councillors were speaking out against them. *[Interruption.]* The hon. Member for Elmet and Rothwell (Alec Shelbrooke) says from a sedentary position, "You don't want to listen to them." I hope his own councillors hear what he says.

The most outrageous suggestion from the Government was the proposal to allow an elected mayor also to be the chief executive of a local authority. Goodness knows what put that into their heads. It reflects a degree of confusion between political leadership and administration which is extremely worrying. I well recall in years past, when Labour took control of Lancashire county council, my former hon. Friend the Member for Blackpool North and Fleetwood, Joan Humble, going to the social services offices and saying, "We are going to implement this manifesto. You are going to tell me how to do it, and I will listen to your advice on how to do it, but make no mistake, we're going to implement it." That is the difference between political leadership and administration. One listens to officers about the best way to do things, but one has a political direction.

The problem with what the Government were proposing was the muddling of those two, which has huge potential for undermining standards in the governance of local authorities because it removes the system of checks and balances that help local authorities to run properly. Removing the proposal and the introduction of a mandatory requirement to have a code of conduct is a step forward, as are some of the other amendments in the group. I only wish that the Government had listened earlier in Committee to the points that were made by my hon. Friends.

Zac Goldsmith (Richmond Park) (Con): I shall be brief, as I have made this point many times to Ministers.

The coalition agreement states:

> "We will give residents the power to instigate local referendums on any local issue."

Despite being wildly enthusiastic about the introduction of referendums, I was critical of this component of the Bill because I did not think it went nearly far enough. This aspect of the Bill recognised that people want more say and more control over the decisions that affect their lives, but because the referendums that we were proposing were to be non-binding, I think the Government would have failed to deliver. I tried on many occasions to persuade the Minister to convert the idea so that the referendums would be binding, but I failed.

I was told to take comfort from the fact that this was a start, and that the referendums did not need to be binding because only a mad local authority would ever go against the wishes of its electorate. Well, there are many mad local authorities, as everyone here knows. *[Interruption.]* I will name one or two. Earlier this year King's Lynn and West Norfolk threatened to build a large incinerator, which triggered an almighty backlash from the local population. In the ensuing referendum the turnout was 61%, which would make most constituencies envious in the run-up to a general election. That is a serious figure—61% of the 80,000 people polled—and 92% of those voted against the incinerator. That was an overwhelming result, and hon. Members can probably guess the outcome: the result was ignored by the local authority.

Helen Jones: Did the question include where the incinerator should go?

Zac Goldsmith: To be honest, I do not know what options were offered, but a large percentage of the population turned out to vote and the vast majority of those made their opinion known and were ignored. Whether we agree with that decision is academic. The fact is that people had their say and were ignored.

Alec Shelbrooke: To reinforce the point that my hon. Friend makes about councils listening, when the then governing coalition of Conservatives and Liberals on Leeds city council was discussing an incinerator, which I opposed, the Labour councillors made great play of the fact that the incinerator was going to be built. They won power on the council in 2010, and they are now building the incinerator. We have not heard a peep from the councillors who opposed it before.

Zac Goldsmith: We could go on. I shall take the opportunity to give one more example of a mad council ignoring the wishes of local people. That was in my own

[Zac Goldsmith]

local authority in Richmond, where a couple of years ago—*[Interruption.]* It happens even in places such as Richmond, where I called a referendum on a proposal to bring in a supermarket, which local people felt would seriously damage the independent shops in one of the much-loved streets in Barnes. We had a bigger turnout in that referendum than in any general election, but we had a Mugabe-esque result: nearly 90% of people rejected Sainsbury's, yet the local authority did absolutely nothing to prevent the takeover of the high street by Sainsbury's. Again, whether we agree with the decision or not, democracy ought to play a role in such decisions.

Bob Blackman (Harrow East) (Con): My hon. Friend is making a powerful case in favour of referendums. He referred to overwhelming turnouts in favour of a proposition. However, the proposal before us contains no safeguard for such a referendum, and there could be a binding referendum on a very small turnout. How would he deal with that problem?

Zac Goldsmith: I thank my hon. Friend for his intervention. There is a safeguard, although it may not be enough. The Government's proposal was that 5% of the population could trigger a referendum, which I always felt was too low and would allow it to become a cranks' charter, because it does not take much to get 5% of people to call for something, and we could end up debating some mad ideas. My amendment would raise the minimum number of signatures required to trigger a referendum to 20%, but I would be happy with 30%, because it should be difficult. A referendum should act as a veto in the hands of the people, but it should not be an easy mechanism to deploy.

Hilary Benn (Leeds Central) (Lab): We have just heard about one potential weakness of the hon. Gentleman's amendment, and I would like to raise another. He has made great play of the fact that the result of the referendum would be binding—it is repeated several times in the wording of the amendment—but it then states that that would be

"subject to exceptions set out in regulations made by the Secretary of State".

Could he assist the House by giving three examples of the kind of exceptions that he has in mind?

Zac Goldsmith: I can give the right hon. Gentleman one exception that covers many more than three: matters that are not in the control of the local authority. If the decision can be made without reference to national Government, the local authority would be bound by the results of a referendum. I am glad that the right hon. Gentleman described the weakness that I highlighted earlier as a "potential" weakness, because I hope that I answered the question adequately.

Hilary Benn: The example that the hon. Gentleman gives seems to be covered already by subsection (2) of his amendment, which says that a referendum can take place only if relates to one of the four examples given in paragraphs (a) to (d). It seems to me that his answer falls at an earlier hurdle—his own amendment. I ask him again whether he can give three examples of situations in which he thinks the Secretary of State should say that the result of a referendum is not binding.

Zac Goldsmith: We are getting into a technical exchange—*[Interruption.]* It is very technical, and I think that the right hon. Gentleman has answered his own question, as Government Members have pointed out from a sedentary position. The previous Government's proposals for the non-binding aspect of the referendum were clearly inadequate, but I concede that, as the Minister said at the time, they represent a start. It was a start until the entire chapter was dropped as it was being negotiated in the other place. That might have been a mistake, in which case I am happy to reintroduce the concept in the amendment, but it takes the previous Government's idea one step further. The amendment would give people power to instigate a local referendum, which is a commitment that all Government Members made in the run-up to the last election. We all committed to ensuring that people could have their say in local referendums, and in my view it was an important part of the manifesto. Crucially, it is binding. Crucially, we have raised the threshold to 20%, which I hope would prevent the kind of abuses that people are worried about.

Bob Blackman: My hon. Friend once again makes a powerful case for referendums, but the point is that although the trigger for instigating a referendum would be 20% of the electorate, there would be no safeguard when it came to the voting. The turnout could be as low as 5% or 10%, but the result would still bind a local authority.

Zac Goldsmith: I thank my hon. Friend for his intervention. I will not argue on that point, because I do not necessarily disagree with him. The purpose of the amendments is to introduce the concept of binding local referendums. If it was decided as a result of a proper debate in the House that the minimum proportion of signatures needed to be 30%, I would not argue with that. At one point the Bill specified that it would be 15%, and after much discussion the Members in whose names the amendment stands decided to raise the figure to 20%. In my view, that is not an issue to get hung up about. Similarly, I certainly do not oppose the concept of a minimum turnout, and would have been willing to include that in an amendment, following proper discussion. It is the principle that is important. It was an error for the Government to remove even a half-hearted attempt at handing power back to local people, and it is a mistake that I think people will remember.

I will not press the amendment to a vote, because clearly it does not enjoy overwhelming support, and Front Benchers on both sides of the House have said that they will whip against it. If I pressed it to a Division, I would not expect to achieve anything other than wasting people's time. However, I hope that the Government will think again and recognise that they have an opportunity to show that when they talk about localism they actually mean it, and that they trust people to make decisions that affect their own lives. I hope that they will recognise, as the Minister has done many times, that no one is better placed to decide the nature, shape, form and future of an area than the people who live in it. I urge the Government to think again.

7.45 pm

Graham Jones (Hyndburn) (Lab): I want to return briefly to the local code of conduct and how it will work. We all know that the Standards Board is going—and

I, for one, am not sorry to see it go, but I would like to see something put in its place. We must have some form of security. I think that the Minister failed to answer my question, so I will put it again and give him the opportunity to intervene if he wants to. This legislation establishes neighbourhood forum groups that will shape and influence planning policy. Residents will be drawn almost at random, or it will be the usual people who get involved in community activities who will come forward. Surely they must be accountable in some way, according to some form of standards. They cannot simply operate in a vacuum, in which things can simply happen and then there is no way to hold them accountable for their decisions.

Last week the Department for Communities and Local Government announced the Community First programme, offering £30 million of grants to 597 of the most deprived wards. Here the Government are asking for neighbourhood committees to be set up. In my constituency, Peel ward, one of the most deprived in the country, is to receive £17,000 in each of the next two years as part of the Community First programme. The residents were told last week that they will have to set up a committee to spend what is essentially public money, yet there is no accountability. The Minister is totally unclear about how local authorities will deal not only with elected members in local authorities, but with unelected members who will be involved in some of the decision making that will help to shape public policy.

Andrew Stunell: I wanted to hear the rest of the hon. Gentleman's point in case I was missing something fundamental, but I was not. I hope that I can return to the point later. I can assure him that there is nothing in the Bill that changes the requirement for any body that receives public money to spend it in a lawful way, and with integrity. If it is a charity or community group, the Charity Commission and other regulatory bodies will kick in. He is erecting a substantial mountain out of a very small molehill.

Graham Jones: I thank the Minister for his intervention, but I think that his answer is more smoke and mirrors. I am asking where the judicial framework is, and his answer is that there is none, but there is a legal framework, within which we all operate. If that is the case, why do we have standards in public life? It is because that is a judicial element that governs and reflects the service that we all give—but we encounter problems when people make decisions that are not in the best public interest, but in their own personal or prejudicial interests.

Robert Neill: Is the hon. Gentleman suggesting that every voluntary organisation that receives public funding should be subject to a standards regime? Surely he would accept that although neighbourhood forums, for example, propose the neighbourhood plan, there are other safeguards, in terms of the referendum, consistency with the local authority's strategic plan and national policy, and a test of soundness, to deal with such matters. A standards regime would be grossly disproportionate in such cases.

Graham Jones: I am grateful to the Minister for trying to clarify that. Many of the organisations to which the Government give money have robust frameworks, but we are talking about a group of individuals who might, in the example of Peel ward, live on an ordinary street near me. They are not subject to the controls, charters, rules or regulations of any organisation. They are outside that, and not part of any judicial framework, so I do not think that he is right. I accept that there is a grey area between who we give money to and how far we should hold them to account in public life. None the less, when someone who lives two streets away from me and is not involved in any organisation can get involved in spending £17,000, might misspend it and cannot be held to account, there is definitely a void. I take the Minister's point, but I am raising a concern that he has failed to answer.

Robert Neill: Surely the hon. Gentleman accepts that the local authority remains the accountable body, and the normal district audit and other regimes apply to it. I appreciate the sincerity of his point, but I earnestly urge him to think again, because he is missing the point, which is not as grave as he might think.

Graham Jones: I appreciate that, but, having a lot of experience in local government, I think that the Minister is missing the point: there is no judicial framework, so somebody can go out and do something, and if there is a complaint by another member of the public about those actions there is nowhere for it to go, so the complaints that we get now could continue. If that is going to happen in planning policy, we will have some problems, so we need a substantive framework and an opportunity for people to bring into public debate the decisions that the individuals on those bodies make.

Further to that point, I am concerned that there is no robust framework for standards, and again I bring local government experience to that point. A lot of vexatious complaints are politically motivated—[Hon. Members: "Yes!"] I hear the cheers from Government Members; I do not know where such complaints are coming from, but they certainly did not come from the Labour side in my local authority. Regardless of that, those who have worked in local authorities know that many complaints are politically motivated, and they need to be removed. That is a serious and substantive point, and simply having a non-elected chair but an elected committee is not acceptable. When we look around local government, we find that even that has failed. There needs to be an unelected, unaccountable—sorry, accountable—*[Interruption.]* I hope the record is corrected. There needs to be an accountable but non-elected body, because that, more than anything, will stop a lot of vexatious complaints. The Government would be doing themselves a favour if they introduced such a framework into local government.

Alec Shelbrooke: I shall comment on a couple of amendments, but, starting with amendment 15 and following the remarks of the hon. Member for Hyndburn (Graham Jones) on the Standards Board, I was a councillor for six years, from 2004 to 2010, and once during that time I was taken to the Standards Board but found not really to have done anything wrong. The local authority dealt with the matter internally, but the person who brought it did not like the decision and tried to take it to appeal, and that is the point: it was about a planning issue.

[Alec Shelbrooke]

Councillors stood in the ward I represented in Leeds on manifestos saying that they would protect certain characteristics of villages, and, when a planning application was made that totally undermined that, they wrote a letter of objection. The person who made the planning application took them to the Standards Board, saying that they were making a prejudicial complaint. That person used the board as a bullying tactic against councillors, and it happened time and again.

Nobody in this Chamber would say that people should not expect anything except the highest standards from those in public office. Everybody across the Chamber agrees with that, but the provisions brought in by the Standards Board were taken up by members of the public. Those people wanted to force the issue with a councillor, and they did not just make their life a misery; they cost them, personally and financially, a fortune.

Graham Jones: I was a victim of a vexatious complaint, on a very minor technicality, to the Standards Board. It was politically motivated, and, although I will not say which party chased it, I agree with the hon. Gentleman that such things are very annoying.

Alec Shelbrooke: I am most grateful to the hon. Gentleman, who makes my point. The complaint against him was politically motivated, whereas the one against me was made by somebody who was trying to get a particular decision on a planning issue and, effectively, trying to bully councillors not to get involved. There were several such cases, and whether someone has such politically motivated Standards Board cases, or whether the case comes from a slightly different angle, depends on which part of an authority they represent and the biggest issues there.

I do not want to get into which party takes the most people to the Standards Board, but I feel that the Labour party has been slightly unfair on our coalition colleagues. In the city of Leeds, Labour councillors formed a queue around the block to take others to the Standards Board. Indeed, one Labour councillor in Leeds, whom I am to going to name in the Chamber, took many people to the board over things that he considered to be a problem when Labour was in opposition, but now his party is in power and he is still not getting the information he wants, he is still pursuing the complaints. Even his own leadership say that they cannot keep control of him.

Do not get me wrong: the mindset behind establishing the Standards Board was correct. Credit should go to the previous Government for setting it up to demand the highest standards, but in reality and in practice that is not how it has worked, and it has become a useless tool that stops people writing in a manifesto what policies they would like to pursue. The board has been twisted and manipulated.

The former Mayor of London was taken to the Standards Board over a comment he made, and luckily he received the ruling that it had been made in his personal and private life, but what ruling was given to us councillors? It stated, "If someone comes up to you in the pub, you must say, 'I am sorry, I am not a councillor.'" Come on, let us get real. Either we engage with our public, talk to people and understand things, or we become part of a robotic system in which the public are further distanced from us.

I guess that the vast majority of Members engage locally with their constituents, going down the pub, talking to people in the high street, getting information from what people feel is happening on the street and talking to them about it. Local councillors cannot do that any more, because unless they declare at the outset, "I am not discussing this with you, come to my surgery at this time," they run a risk, and that represents a big disconnect from and disservice to the public. That was an unintended consequence of the Livingstone case, but whether we agree with his comments or not, that is not the issue, because they occurred in his private life, and the case should never have gone to the Standards Board.

We do have protection of the public: it is called the ballot box. That was always my argument as a councillor when it was said that someone was going to the Standards Board. There is a ballot box, whereby people can be voted in or out, and if someone were seen to be wholly corrupt it would not matter whether they were in the safest seat in the country, they would be voted out.

Graham Jones: Will the hon. Gentleman give way?

Alec Shelbrooke: I will give way. I think I know what is coming.

Graham Jones: I agree with the thrust of what the hon. Gentleman says, and I do not want to be controversial, but let us take the Community First programme in my constituency's Peel ward, where residents are going to spend public money, or the neighbourhood forums. They are not elected. Where is the ballot box for those people?

Alec Shelbrooke: But there is something called the Serious Fraud Office—the fraud squad—and there is a law of the land, so we do not need to pursue such things through the Standards Board. If people misappropriate public funds, they can be reported to the police and there can be an investigation. Sometimes we double up on legislation to try to say to the public, "Look what we're doing," but in reality they have ended up with less influence and power, because things have become bound up in an operation that has not helped at all.

Graham Jones: If my community group decides that it is going to spend money on a project for which it has ownership, or on a project down the road for which there is no ownership within the Community First programme, and it then decides to skew the funding to what suits its needs, not somebody else's, how does that fit in? That is not illegal, that is not fraud, but it is against accepted standards in public life.

Alec Shelbrooke: I invite the hon. Gentleman to intervene again on me. Who is awarding the grants to those people to spend that money?

Graham Jones: The Government are.

Alec Shelbrooke: Yes, but the money comes from the council, and that is the point: it comes from the local authority to start with.

Graham Jones: It actually comes directly from the Department for Communities and Local Government.

Alec Shelbrooke: Through local communities and local government, projects are being identified—*[Interruption.]* I give way to the Minister.

Andrew Stunell: I wonder whether I may help my hon. Friend by reminding him that any body or organisation that spends public money is subject to the equalities duty, introduced under equalities legislation introduced by this Government earlier this year.

Alec Shelbrooke: I am most grateful to my hon. Friend for assisting me with that line of debate. There are protections in place: there is the law of the land, there is legislation and, when it comes to democratically elected people, there is the ballot box. I do not think it will do any harm to local government to remove the Standards Board and consider other areas, because it has wasted hundreds of thousands—if not millions—of pounds of taxpayers' money on vexatious, vindictive claims. Beyond that, the board has slowed the process of local government, as well as the service and, indeed, the communications we, as elected Members, would want to have with our public. We need to address that.

8 pm

I shall also speak to amendment 112 proposed by my hon. Friend the Member for Richmond Park (Zac Goldsmith). Again, I want to focus on the facts. I am grateful to the shadow Minister for her comments and for the opportunity to intervene on the Minister earlier. If we have a binding referendum, we do not have control over what someone may be made to do. We can bring in threshold limits, but there is something called the internet, which makes it easy for people to move forward with ideas and get to thresholds. A relatively low number of people could then go and vote, and we would be faced with some very nasty legislation.

Zac Goldsmith: I have a brief question. If the amendment is pressed to a vote, would my hon. Friend support it if it included turn-out thresholds, not just trigger-mechanism thresholds?

Alec Shelbrooke: I would not support the amendment for the reasons my hon. Friend just mentioned, because if someone wants to have a referendum that is binding on any subject, they leave themselves open to several problems. My hon. Friend's amendment contains provisions that he feels would deal with that. However, in this place, we must be very careful about the legislation we introduce and the language we use. We may try to foresee the instances that may occur and try to stop some unsavoury referendums taking place, but once the legislation saying that it is binding is in place, someone somewhere will find a way around it.

We live in heightened times of tension. That is inevitable in an economic downturn. We go through periods when there is a blame culture and it is easy to pick on the weakest person.

If the House will indulge me, I would like to refer to "The Simpsons". I am sure I am not alone when I say that I am huge fan of "The Simpsons". Some of the episodes can be particularly cutting. I remember one episode when some of the characters woke up to find a bear in the front garden and decided that they wanted to introduce a bear tax to keep the bears out. The mayor had a meeting and said, "I want to bring in a bear tax." Everybody said, "We're not paying any more tax", to which the mayor said, "All right. Well, I blame the immigrants." Everybody cheered and the mayor said, "We'll have a referendum on it." As the episode goes on, they have a referendum to kick out the immigrants because they are unhappy about having to pay more tax and there was not enough tax to sort out the bears. Later, the episode highlights the fact that people in their communities, their friends and so on have an immigrant past and are fully integrated. There is a road to Damascus moment for Homer who goes around saying, "This is a terrible referendum. We can't vote on this." The result comes in, and there is a 96% vote to get rid of all the immigrants because nobody listens.

Zac Goldsmith: I apologise for intervening again, but my hon. Friend's argument is exactly an argument in favour of democracy and referendums. If an unattractive proposition is made, people's gut reaction may be to take the least attractive option. However, after debate and discussion—just as Homer Simpson proved to my hon. Friend in his youth—the right decision is normally reached. There are examples of that happening. In Switzerland, there was recently a vote on a motion that would have made migration to that country almost impossible. All the pundits and pollsters said the proposal would be overwhelmingly accepted; in fact, it was rejected by two to one as a result of the type of discussions prompted by the referendum. I say to my hon. Friend: please do not fear democracy in the way so many of our colleagues here do.

Alec Shelbrooke: It is not democracy I fear; it is people who may not be fully informed going to the ballot box. Let us not forget that the Third Reich was elected.

In conclusion, there is a place for referendums, and the balance in the Bill is about right. However, referendums should not be binding, which could open things up. It is perhaps sometimes hon. Members' responsibility not to adopt the position we would take ourselves, but to consider what is best overall to protect the people from those who would seek to abuse and twist a system, as, indeed, happened with the Standards Board.

Annette Brooke (Mid Dorset and North Poole) (LD): It is a privilege to follow that interesting contribution from the hon. Member for Elmet and Rothwell (Alec Shelbrooke). I mean that; his contribution was very interesting.

I welcome the contributions made by noble Members in the other place, which have been exemplary. There has been working together, cross-party work and working among the Cross Benchers. Ministers in the other place have carried forward issues raised in Committee in this place. Therefore, I am not sure why there is so much criticism of the amendments. During consideration of the Bill, there has been co-operation with the Local Government Association. This is perhaps more relevant to the next string of amendments, but I would like to put on the record the fact that I have recently become vice-president of the Local Government Association.

[Annette Brooke]

I welcome the Government amendments because, for the most part, they will extend local decision making and they are all steps in the right direction. Restrictions on area committees will be removed and councils will be able to choose what sort of structure they operate under and when they change structure. I was a councillor when cabinet structures were imposed by a Labour Government. There is also the timing of when a vote on all-out local elections may be held, if that is the choice of the local authority. I welcome the abolition of the concept of shadow mayors, because that was certainly not the best example of local decision making.

We have said much tonight about the standards reforms. They are possibly the most important matter to discuss on this string of amendments. It seems that all hon. Members recognise that reform was necessary. Sadly, I think it would be true to say that hon. Members of all political parties have probably engaged in vexatious complaints, so it should not be only my party that is the thrust of such comments. We need to recognise that, unfortunately, the set-up—the nature of the beast—meant that vexatious complaints would occur.

When the Bill was introduced, it was a reaction to a great need for reform and it moved the pendulum. As often happens, it probably moved it too far. The other place has pulled that pendulum back and has achieved a very interesting balance. There has certainly been much discussion on the matter. At the back of my mind, I feel that we should be prepared to review how things are working. Obviously, we do not have such a provision before us today, but it would be useful to know how the new system is working out in, for example, two years' time. It might be necessary to revisit the system. None of us has a crystal ball and can see how well the new system might work, but this is definitely the right type of reform. It is important to get a balance and, as much as possible, make the measure local. Nevertheless, there need to be important protections.

I therefore heartily welcome all the Government amendments in this string. I am afraid that I will not support the amendment of the hon. Member for Richmond Park (Zac Goldsmith). His passion for increasing local democracy is very important, but there are issues with local referendums, not least the fact that they could lead to conflicts and abuse. The amendment clearly has a number of technical deficiencies and therefore could not be considered anyway.

Mark Reckless (Rochester and Strood) (Con): I shall address my remarks to the amendments relating to referendums—Lords amendment 112 and the excellent counter-amendment tabled by my hon. Friend the Member for Richmond Park (Zac Goldsmith)—and to the Minister's remarks about council tax referendums.

It occurs to me to wonder how our counterparts in the United States Congress or the German Bundestag might look at our debate. It is about the Localism Bill, yet we seek to prescribe almost every last detail of how and when a locality might consult its people on an issue—whether that consultation should be binding or non-binding, how far it extends, and what exactly should be the trigger of signatures or the turn-out required. An alternative way of doing this, even if there were certain minimums, would be to allow localities themselves to experiment on what works best for them and to consult their residents as they wish.

I agree with the Government that the Bill introduces an improvement—at least a small one—in relation to a council tax referendum, in that when a local council comes up with a proposal for a level of council tax, it is somewhat better that central Government might require a referendum on that level rather than merely disagreeing with it and putting in place one that central Government happen to prefer. The local authority is the single body that is setting the council tax, then central Government come in with a successiveness tax test, and then there has to be a referendum.

I am concerned about how the Bill interacts with the Police Reform and Social Responsibility Act 2011. The way in which the police precept is set has some very special aspects relative to other local government precepts. The first of these is that the police precept is a pretty small proportion of the overall council tax, so setting a percentage increase above which it is required to have a local referendum acts as a far greater disincentive to placing a precept above that than it does for local government, because the proportionate cost of having a referendum for the police precept is far higher—perhaps up to 2% of the police budget. That makes it extraordinarily difficult for a police body to attempt to go beyond what central Government have set as that trigger.

Overall, I am concerned that setting these referendum requirements undermines the incentive to vote for local politicians who want to stand on a lower-tax basis. If central Government are in any case providing an automatic safeguard so that even if there is an enormously left-wing council that wants to push up the council tax by a huge amount, that reduces the incentive to vote for politicians who believe in lower taxes.

Graham Jones: I remind the hon. Gentleman that my left-wing Labour council is setting a 0% council tax level for the forthcoming year.

Mark Reckless: The hon. Gentleman's Labour council, like every other council in the country, has set a 0% council tax level because this Government, who believe in localism, have come in with an offer they cannot refuse.

I was a councillor for four years, and I am afraid that such measures do not just reduce the incentive to vote for parties of the centre right: it sometimes leads to good Conservatives taking offsetting measures to give themselves greater scope for freedom from central Government. My own council of Medway had virtually the lowest unitary tax in the country outside the Scilly Isles, yet when we attempted to put in a tax increase that was very slightly above the standard percentage cap that was set, we were not designated but put under the process whereby action would be taken against us the following year if we did not pull our socks up. In fact, our increase was far lower, in absolute terms, than increases of similarly sized councils elsewhere.

The problem is the fear of being capped—of not knowing what the level will be next year—and possibly even the fear of being forced to have very expensive referendums with very embarrassing results for the local politicians, particularly if they do not succeed, and for which their locality has to pay for in any event. That may lead some councils, even good Conservative ones, to put up council tax by more than they otherwise would in a particular year so that they have a higher base and there is less concern that they might get capped in a future year in needing to put through a substantive increase.

Alec Shelbrooke: Does my hon. Friend think it is fair that the Government can impose a cap and say, "That's it—you're not raising it", as in his fine example from Medway? Would it not be better to take that to the people and say, "Do you want to have this rise in council tax which we believe is above a cap?", when he could argue exactly the case he has argued for Medway?

8.15 pm

Mark Reckless: As I said, I believe that in this respect the Bill is a marginal improvement on what we had before. Let us consider the idea that the federal Governments in the US or Germany would look at each state, determine what the level is—indeed, the same level for all states—and say, "If you want to raise your property tax by more than that, you have to have this referendum, and this is the exact way in which we specify that it has to be run." By comparison, we seem to have an extraordinarily centralised state, and I am disappointed that the tiny steps in the Bill have only a very little impact on that.

In the policing universe, the Bill is not just a little bit of progress but a step back. The significant difference is that there is not a single body making the decision, as with a local council within the referendum protection; we are setting up a special local body, a police and crime panel, that will have scrutiny, oversight and an overview of the directly elected commissioner. We said in the coalition agreement that the elected police and crime commissioner

"will be subject to strict checks and balances by locally elected representatives."

We were then told—I questioned the Minister for Policing and Criminal Justice about this earlier—that the panel

"will have a power to trigger a referendum on the policing precept recommended by the Commissioner."

The Minister said that he disagreed with the premise of my question, which was in fact the premise in the White Paper that the Home Office published in July last year, "Policing in the 21st century", which said that the police and crime panel will have this power. However, the Bill, which provides for these referendums, has no provision to allow the police and crime panel to trigger such a referendum, and the powers appear to have been taken by the Secretary of State, despite the coalition agreement and what was promised in the White Paper last year.

When the Minister spoke about this on 30 March, it seemed that his officials had not properly explained to him his own Bill. He said that

"the police and crime commissioner will set the precept but a referendum will be triggered. The"

police and crime

"panel will not be able to prevent that, but it will be able to propose an alternative precept with accompanying reasons that will have to be published. The public will then have to decide—having both sides of the story."—[*Official Report*, 30 March 2011; Vol. 526, c. 433.]

That suggests that the referendum was going to be between the commissioner's precept and an alternative proposed by the panel. That is what we said would happen, but unfortunately the provisions of the Bill do not allow it to happen. In the case of the police precept, we are bringing in this third body—the Secretary of State. The Secretary of State, not the local panel, has the power to trigger a referendum. That is a highly regressive step that will prevent the elected police and crime commissioner from establishing a responsible relationship with his chief constable—perhaps being able to get him more budget and, in return, getting different priorities for policing. They will always be looking over their shoulder to the Secretary of State, who is giving a standard rise that they cannot go above without the risk of a local referendum that would cost perhaps 2% of the council tax, which they would have to pay even if they won. This will have a chilling effect on our proposals for police accountability.

I am very disappointed, because in 2005 I wrote a book called "Direct Democracy" for which I had four co-authors—my right hon. Friends the Members for Tunbridge Wells (Greg Clark) and for Arundel and South Downs (Nick Herbert), my hon. Friend the Member for Clacton (Mr Carswell), and Daniel Hannan, who is now an MEP. In that, we called for direct democracy and the devolution of powers, and, in particular, an elected person in charge of overseeing the police who would have local powers. We still believed that in the coalition agreement and we still believed it in last year's White Paper when we said that the panel would be able to trigger a referendum. It is terribly disappointing that this Bill fails to provide for that and instead hugs the power to the Secretary of State.

Bob Blackman: I want to make three points. The first is about the codes of conduct and the abolition of the Standards Board. I, like many local councillors at the time, was the subject of numerous referrals to the Standards Board. The first that anyone heard of it was when they received the letter from the Standards Board saying that it had decided to take no further action on the vexatious complaint. It could take many months and, in certain cases, years before a complaint was determined one way or the other. In cases that were chosen for investigation, the investigations could take the length of a councillor's term of office before it was decided whether they were guilty.

I have concerns about what is being proposed. I completely agree with having a national standard for the codes of conduct that local authorities should impose. There should be national standards and everybody should abide by them, even though they will be monitored at a local level. There is a key concern about how valid complaints will be investigated. I have a concern about elected councillors overseeing complaints about other elected councillors and about how politicians might seek to gain party political advantage over one another through standards committees. The concept of having independent individuals in charge is of course welcome. However, the risk is whether such people can be found for every local authority and whether they will be of a suitable standard to make the system work. I have concerns but, broadly speaking, the Government's amendments should be welcomed.

My second point touches on the amendment tabled by my hon. Friend the Member for Richmond Park (Zac Goldsmith) on referendums. The key concern is about the difference between a local authority consulting

[Bob Blackman]

the people it serves and it being bound by a referendum, possibly on a single proposition. I do not think that local authorities in this country consult properly. Instead, they notify the public that they will do something to them, regardless of what they think of it.

I will give an example from a local authority on which I used to sit. The London borough of Brent has decided to close half its libraries. The council put it to the public and 82% of people said that they did not like it. The answer from the council was, "We're still going to do it." That was the result of a consultation. The idea was overwhelmingly rejected, but the council are progressing with it. That would be a case, like my hon. Friend the Member for Richmond Park described, in which a referendum would undoubtedly go against what the local authority wishes to do. However, that does not change the fact that local authorities are elected to serve and to make decisions. They should do so even if those decisions are not liked by the people whom they represent.

I will also cite the case of Bristol, which several years ago conducted a referendum on the level of council tax to be charged. The council put four options to the people of Bristol: a reduction in council tax with a drastic reduction in services; a marginal reduction in council tax with a marginal reduction in services; a stand-still option; or the council's preferred option of an increase in council tax and keeping services at the same level. Lo and behold, the people voted for a substantial reduction in council tax and a substantial reduction in services—not quite what was expected. One has to be careful in taking on a referendum. For the purposes that I have described, a referendum is clearly not the route to follow.

Equally, as I have said in interventions, if we had referendums with a trigger of 20% or 30% of people signing a petition, that would not necessarily work if the turnout for such a referendum would be far too low. That would be ridiculous and would impose on local authorities an unfair basis for making decisions. As we all know, it is easy to get people to sign a petition, but it is another thing to get them to vote. Clearly there is a role for petitions in consultations, but using them to trigger referendums is difficult.

My third point relates to the position on council tax. I have always been an advocate for councils being free to set council tax at the level they choose. If councillors choose to impose a swingeing increase in council tax, the public have the right to vote them out at the next election. We should trust the people to do that. I have always been stringently opposed to the capping of council tax or previous forms of local taxation, because it takes away the decision-making powers of local authorities. Councils should not have referendums held over their heads on council tax, but people should have the power of the ballot box to remove councillors who vote for a swingeing increase. That is the right way to protect people.

Most local authorities in this country have their councillors elected by thirds, so the local electorate has the power every year to remove councils and councillors who choose to vote for large increases in council tax. In unitary authorities, there are all-out elections, which means that councillors, having been safely elected, can take decisions at the beginning of their cycle to get their betrayal out of the way before they face the threat of the ballot box three or four years later. Perhaps we need to re-examine the governance of local authorities and ask whether they should face more frequent local elections, rather than having periodic elections when the decisions made by the local electorate are often more about the national Government of the day than the decisions that are made at a local level.

Having spoken about those three key issues, I will conclude my remarks. I warmly welcome the amendments proposed by the Government.

Martin Vickers (Cleethorpes) (Con): I rise to speak about the referendum issue. Members will note that I am one of the signatories to the amendment tabled by my hon. Friend the Member for Richmond Park (Zac Goldsmith).

I support the principle of referendums and believe that they are a natural development of our democratic process. Having spent many years as a local councillor fighting against centralisation, I warmly welcome the moves that the Government are making, but they could go further. To give an example, I sponsored and secured a referendum in one ward of my unitary authority to abolish a town council. I did so because there was clear opposition to a council that was charging in excess of £100 per household for band A properties. There was an overwhelming vote to abolish that council. Unfortunately, the referendum was not binding, because it was held under the Local Government Act 2003, to which the Minister referred. The unitary council of North East Lincolnshire subsequently overturned the referendum result.

Andrew Percy (Brigg and Goole) (Con): Outrageous.

Martin Vickers: I agree, it was outrageous that a decision of the electorate that had been arrived at democratically through the ballot box should be overturned by a local authority. Having granted the referendum initially, it should have reversed the result, if that was its wish, only through another referendum.

Andrew Percy: To assist my hon. Friend in his point, I add that in my constituency the people of Old Goole are seeking to separate from Goole and form their own parish council. There is a huge argument going on, and the one way in which it could be resolved is through a binding referendum.

Martin Vickers: Absolutely. My hon. Friend makes an extremely valid point, and I am sure Members of all parties can think of such examples.

The hon. Member for Warrington North (Helen Jones) made a valid point about premises that cater for people with mental health difficulties. I accept that local authorities have very difficult decisions to make in such cases. I can recall there being such a decision in my ward six or seven years ago, and if a referendum had been taken in the street in question there would certainly have been an overwhelming vote against such an establishment. However, it would be open to local authorities, as it is under the 2003 Act, to determine the arrangements for a referendum —whether it should be held in a ward or within the authority as a whole. There are ways of broadening the electoral base to cover such circumstances.

8.30 pm

My hon. Friend the Member for Richmond Park made good points about turnouts. I accept that there should be an increase to 20% in the proportion of signatures needed to trigger a referendum, which would be a way of weeding out the frivolous requests. So would the other criteria that would be used to determine whether a referendum should go forward.

My hon. Friend's amendment is an obvious move forward. We argue about referendums—only a couple of weeks ago we debated whether we should have one at national level. They are a natural development of the democratic process if we are to give our voters really meaningful power.

Alec Shelbrooke: I am listening very carefully to my hon. Friend's points. I think Members of all parties have been guilty of trying to explain why they do not think particular referendums, on serious issues, should be binding.

If there were a referendum suggesting that councillors should not receive any money whatever for their work, I believe it would find popular support, yet councillors work hard and need some sort of recompense. If that referendum were binding, how would councillors deal with that situation?

Martin Vickers: My hon. Friend makes a very interesting point, and my response is obvious—I am arguing in favour of binding referendums, so I believe that such a referendum would have to be binding. There could be turnout—

Andrew Percy: Thresholds.

Martin Vickers: That is the word I am looking for; I thank my hon. Friend. Such referendums could therefore easily be accommodated.

Members should appreciate that there is growing apathy and disenchantment with our whole political process. The Government have tried to respond to that through measures in the Bill, through e-petitions and so on, but the only way we can really give people power is by giving them a clear-cut vote on issues. Although my hon. Friend the Member for Richmond Park said that he would not press his amendment, I hope that it will spur the Government on to further developments in the months and years to come.

John McDonnell (Hayes and Harlington) (Lab): I apologise to the House for coming so late to the debate. I am afraid I have been chairing a meeting elsewhere. I regret the fact that the hon. Member for Richmond Park (Zac Goldsmith) is not in his place now, but of course he has assiduously attended the rest of the debate. I wanted to ask him a couple of questions, but maybe other sponsors of his amendment will be able to intervene to clarify matters.

I can see the attraction of holding referendums on issues that are politically significant in an area, so that local authorities can seek guidance. Even if they were not binding, they would at least create a debate, and the local authority could take into account the views expressed.

Proposed subsection (5) of the hon. Gentleman's amendment sets out the local authorities that it would apply to, including

"the Common Council of the City of London in its capacity as a local authority".

I wish to ask the amendment's supporters whether, under the regulations and rules to be laid before Parliament designing the mechanisms and ground rules for referendums, as mentioned in proposed subsection (11), universal suffrage would apply in the case of the common council of the City of London. In other words, will it be one person, one vote, or will businesses be able to purchase votes and outvote local residents, as they currently can? Referendums could enhance local democracy, but I do not want us to enhance the power of businesses to control the lives of residents with the City of London corporation area.

Martin Vickers: The hon. Gentleman makes a valid point. My view—I can speak only for myself—is that democracy means one person, one vote, and that that would apply whether in the City of London or elsewhere.

John McDonnell: That is incredibly helpful, because although amendment (a) might not be pressed to a vote, the House in due course—fairly rapidly—will need to look at how undemocratic the City of London corporation actually is.

There are numerous examples of when a referendum in the City of London on the basis of universal suffrage—one person, one vote—would enable residents to address some of the abuses of the system that take place currently. If people want an example of those abuses, they should read the front page of *The Guardian* today. The City of London corporation has applied City cash—anything up to £100 million in local authority funding that is never audited or publicised; that completely lacks any form of transparency to local residents or the rest of the electorate in both the corporation area or elsewhere; and that is never investigated—to enhance a property development on the edge of the corporation area in Hackney. That also enhances the value of properties owned by Hammerson, which employs the lord mayor of the City of London corporation. A referendum in the City of London area could valuably take place on that matter. Residents could vote on whether it is appropriate for the City of London to enter into developments of that sort.

The Hackney example is not the only one; there was the Spitalfields development and opposition from the Barbican Association. The City of London corporation has ridden roughshod over the wishes of local residents to enhance the profits of businesses which employ council men on the corporation. If the hon. Member for Richmond Park is suggesting that the rules and regulations made under proposed subsection (11) of amendment (a) would ensure universal suffrage in the City of London corporation, it would be a major breakthrough for democracy in London.

I hope that the amendment is pressed to a Division if we gain assurances from all who have tabled the amendment that that is what it means. Even if we cannot use the amendment to prise open democracy in the City of London corporation, there will be other opportunities. Hon. Members from all parties should try to place this matter firmly on the agenda again, because allowing

[John McDonnell]

businesses to have the vote and to ride roughshod over the wishes of local residents in the corporation area is 21st-century abuse of power and democracy.

Andrew Stunell: We have had an interesting and wide-ranging debate, with plenty of interest added by Members' personal experiences.

I appreciate the decision of my hon. Friend the Member for Richmond Park (Zac Goldsmith) not to press amendment (a) to a Division. He will have seen in the course of the debate that the force is not with him, although he has raised a number of interesting aspects, which I am sure he will ensure are kept in front of the House in the years to come.

Other hon. Members have raised a wide range of issues, and perhaps the most persistent raiser of issues was the hon. Member for Hyndburn (Graham Jones), who is not in the Chamber. This part of the Bill applies to local authorities; it does not attempt, and it never did attempt, to regulate community groups, neighbourhood forums or other non-governmental organisations. However, I remind the House that there is still a requirement on anybody spending public money to give a proper account of that spending and to be held accountable, if necessary in the courts, should they fail to do so. On the wider duty on anybody spending public money, the introduction of the equalities duty provides a substantial safeguard and remedy for those who feel hard done by as a consequence. I hope that the House will accept that as the right basis on which to proceed.

My hon. Friend the Member for Elmet and Rothwell (Alec Shelbrooke) told us a shaggy bear story, but hidden behind it were some important observations, one of which was about the present system's extensive capacity for creating trouble for council members going about their lawful business and trying to serve their community. He referred to a case in which essentially he was being bullied by a developer because of views he had expressed on a planning application. I am happy to tell him that, quite apart from our abolition of the Standards Board, our abolition of the pre-determination legislation, which is also right at the front of the Bill, will put in place a safeguard in such situations.

My hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) drew attention to the hard work done in the House of Lords, not least by our Liberal Democrat colleagues. Government Members acknowledge the fruitful dialogue in the Lords, which I believe has produced a much-improved Bill. She suggested that it might be appropriate for us to return to the standards regime and monitor its performance after a couple of years. More broadly, the Government have said that they want to monitor the impact of legislation as time goes by, and I hope that she will understand that the House always has the capacity to return to matters. No doubt the Select Committee and others will keep an eye not only on that provision in the Bill, but on all the others.

I heard the contribution from my hon. Friend the Member for Rochester and Strood (Mark Reckless), particularly on police and police commissioners. My right hon. Friend the Minister of State, who has responsibility for decentralisation, has recently written to my hon. Friend about that matter, and I know that the Minister for Policing and Criminal Justice has also offered to liaise with him. I assume that he will want to take up that offer. He made several observations about what would happen in the United States, but I have reason to suspect that he is not in favour of introducing a federal system in the United Kingdom. In default of a federal system, we have to manage our own resources of governance.

On council tax referendums, I made the point in my introductory remarks that we are replacing a top-down limitation on what councils can spend and raise from the council tax with a process controlled by the electorate—the ones who pay for it—which is how local accountability is supposed to work in our democratic system. As those who did an A-level in this area will know, that is what we are all taught happens, but what has not happened for many years. We are changing a top-down financial control system to a bottom-up control system. In the eyes of my hon. Friend the Member for Rochester and Strood, that might not be perfect, but I hope that he would accept that it is more than just a small notional improvement.

Mark Reckless: It might be that for local authorities we are just about doing as the Minister states, but it is not the case for the area of policing that I raised. The letter that I received from my right hon. Friend the Minister of State was entirely unsatisfactory, and the meeting with my right hon. Friend the Minister for Policing and Criminal Justice has not happened. Importing the Localism Bill into the police framework makes a complete dog's breakfast of the precept setting and contradicts the coalition agreement and last year's "Policing in the 21st Century" White Paper.

Andrew Stunell: I am disappointed to hear my hon. Friend say that. Local people have as much right to take a view on excessive police precept increases as they do on increases in any other sector of local government. I believe that the provisions we have are right. I hope that he is not spurning the offer of a meeting my right hon. Friend the Minister for Policing and Criminal Justice, because he might find it more productive than he evidently fears it would be.

8.45 pm

A number of other hon. Members contributed to the debate, including my hon. Friend the Member for Harrow East (Bob Blackman), who eloquently pointed out that he, too, had been the victim of a vexatious complaint. He urged the Government to impose no limits at all on council tax, which should depend entirely on the views of councillors. That suggests that he perhaps does not recall that in earlier days that was the case. What we have is a system of accountability for financial decision making that is a huge improvement on the current top-down version, and one that I would ask him to observe in practice over the next few years.

My hon. Friend the Member for Cleethorpes (Martin Vickers) supported the general thread of amendment (a), standing in the name of my hon. Friend the Member for Richmond Park, but as I think we have agreed, that is a matter for a different day.

With his customary skill, the hon. Member for Hayes and Harlington (John McDonnell) found a way of introducing a completely different topic to the debate—a topic that I have no doubt he will bring back to the House on many future occasions, albeit perhaps in more propitious circumstances.

That brings me to the remarks of the hon. Member for Warrington North (Helen Jones). I have to say to the House that there is some history here, because in times long gone, she and I were both members of Chester city council. I therefore know that many of her remarks were made with her tongue firmly in her cheek, as they certainly were in past days too. I just wonder whether there were two missing words from what she said—those two words were "thank you"—because her entire speech consisted of agreeing that the amendments that we are discussing are exactly the right ones to make and great improvements to the Bill.

I notice that the hon. Lady picked out my Liberal Democrat colleagues as being particularly egregious when it comes to making complaints. Indeed, a number of other Members in this debate have considered which political party is the worst. Let me tell the House that 80% of complaints to the Standards Board come from parish councils, on which, by and large, there is no political party representation. That, of course, is part of the scandal of the whole process. When I recently spoke at the annual conference of the parish clerks association—*[Laughter.]* I have become accustomed to a more exotic style of life. I put it to those at the conference, and they agreed, that had the introduction of the regime been beneficial, the behaviour of parish councils should have improved. What actually happened was a rising tide of complaints and no evidence at all that the regime improved standards. The aim of having a standards board was to improve standards, not simply to generate complaints.

I got a hint from the hon. Lady, and also from her hon. Friend the Member for Hyndburn (Graham Jones), that if they had their way, they would return to a centrally determined quango doing exactly the same thing as the Standards Board. I have to say that hankering after that quango is not the way ahead. If she is concerned about the Bill not being localist enough, she has a slightly peculiar way of showing it.

The hon. Lady also mentioned pay accountability and transparency, and I think that she was welcoming what we have done. I want to pick up one of the points that she made. She said that she regretted that councils would not be compelled to pass the same duty on to outside organisations that were in receipt of council funding to deliver their services. I must point out to her that the legislation gives them the power to do that if they choose to do so, but it does not compel them to do so. I would just remind her that that is localism. We believe that that is exactly the right balance to ensure that local authorities have a framework in which they must operate, and a framework that they may apply to others who provide services for them.

The hon. Lady also mentioned local non-binding referendums, and she was characteristically generous. May I point out that her suggestion that I might not have survived comes ill from a team that started off with three people in Committee and has now been completely reconfigured, and that she herself is a newcomer to it? Those of us who worked through the Committee and Report stages know the hard work that went in and the efforts that have been made to achieve a better Bill.

The Bill will lift the burden of bureaucracy from councils. It will free them up, the better to serve their local communities. It will give local authorities greater control over their governance and less unjustifiable meddling by central Government. The changes made in the Lords take the reforms further, strengthen our provisions and sweep away even more of the deadening prescription and regulation that has for far too long constrained local authorities. I commend all the Lords amendments to the House.

Lords amendment 14 agreed to.

Lords amendments 15 to 49 agreed to, with Commons financial privileges waived in respect of Lords amendments 23, 29, 40 and 49.

Clause 31

POWER TO REQUIRE LOCAL OR PUBLIC AUTHORITIES TO MAKE PAYMENTS IN RESPECT OF CERTAIN EU FINANCIAL SANCTIONS

Greg Clark: I beg to move, That the House agrees with Lords amendment 50.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss Lords amendments 51 to 94, 227, 228, 230, 234, 241, 244, 246, 247, 250, 252 to 254 and 260.

Greg Clark: The Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hazel Grove (Andrew Stunell) should count himself lucky to have had an invitation from the parish clerks. The Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) recently spoke at the annual general meeting of the British Toilet Association. I gather that he was flushed with success after making that speech.

I approach the Dispatch Box with some trepidation, because I was about to say that we had achieved "consensus in the House of Lords", but on the basis of the earlier contribution from the hon. Member for Warrington North (Helen Jones), I fear that all six of those words make her see red. It seems that this Chamber should make a unilateral declaration of independence from the House of Lords, that nothing good can come from there, and that all decisions have to be made here. So I should be careful. As for consensus, the hon. Lady would pick a fight in an empty room. She managed to be warlike on amendments with which she wholeheartedly agreed, so goodness knows how we are going to get on with this group. None the less, we have achieved a degree of consensus and listened to the representations that were made in our own Public Bill Committee and in the other place.

We need to devolve power to local authorities, but there is clearly a risk that when we do, the powers that formerly resided with central Government could expose the nation to the risk of infraction proceedings if they put us in breach of EU obligations. This was a matter that needed to be addressed. It is only fair that council tax payers should not pay for poor behaviour on the part of local authorities in areas other than their own. That was the purpose of introducing the provisions on EU fines. We have had some useful conversations about those.

[Greg Clark]

The concerns raised both in Committee and in the other place were that Ministers should not be the prosecutor, judge, jury—and, in some cases, the co-defendant too—on some of those matters. Thanks to representations from the Local Government Association and the Greater London authority, we have thought carefully and hard about how we can allay some of those concerns.

I would like to put on the record my appreciation of the work of the late Sir Simon Milton, who, in evidence to the Localism Bill Committee when we first met, not only raised concerns about those procedures, but suggested a way forward that would satisfy all our concerns. He went away with his officials and reflected on that. During that process, very sadly, Sir Simon died. All of us in this place greatly regret his passing. We have appreciated his good counsel in these matters over the years. His colleague Daniel Moylan took up the work that Sir Simon had begun, and the fruit of that work is reflected in the Lords amendments, particularly amendments 57, 234 and 246. They provide that there should be a new stage of designation for authorities that might be subject to a fine.

I owe particular thanks to Lord Tope and Lord McKenzie, who introduced amendments to that effect in the other place. What these amendments will require is that Ministers should designate any authority that might be at risk of fines by affirmative order. Such an authority can be identified only if the infraction is the responsibility of the local authority, only if the actions follow its designation, and only in relation to specific infraction cases. There should be no retrospectivity.

The second set of amendments involve the creation of an independent advisory panel before any fines can be recovered from a local authority. Baroness Gardner of Parkes suggested this approach in amendment 58. It would mean a public report being made to the Minister by an independent panel, and it would include a fair apportionment of the culpability of any local authority so fined.

Amendments 59 et al enable the local authority to plan how it would meet the costs, and it is clear through these amendments that the authority's responsibility for any fines ends when its culpability ends. The fines cannot continue beyond the point at which the authority has corrected its behaviour.

Some minor and technical amendments cover non-devolved matters in devolved areas. They proceed with the full agreement of each of the devolved Administrations. There are mirror powers for Welsh Ministers to pass on fines in their own area.

These changes sent to us by the House of Lords deliver on our commitment to introduce fines for councils only when they are responsible for the United Kingdom being fined, only when they can remedy the situation, and only when they can afford to pay. I commend the Lords amendments to the House.

Helen Jones: I am sorry that the Minister, who we all know is from the soft south and cannot deal with stroppy northern women—

Greg Clark: I am moved to tell the hon. Lady that I was born and bred in Middlesbrough, and that no resident of that fine town has ever been described as being of the soft south.

Helen Jones: I stand corrected. I should have said that the Minister has probably spent too long down in the south. I am now going to surprise him, however, by agreeing with him. The worry about the original measures was that they risked imposing fines on councils for matters over which they had no control. I think that has been corrected in the House of Lords, so we support the amendments.

Lords amendment 50 agreed to, with Commons financial privileges waived.

Lords amendments 51 to 112 agreed to, with Commons financial privileges waived in respect of Lords amendments 54 to 60, 62, 64, 66 to 69, 72, and 74 to 112.

Clause 61

COUNCIL TAX CALCULATIONS BY BILLING AUTHORITIES IN ENGLAND

9 pm

Andrew Stunell: I beg to move, That this House agrees with Lords amendment 113.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to consider Lords amendments 114 to 150, 236, 236, 251, 334 to 349, and 414 to 417.

Andrew Stunell: The amendments focus on the community right to challenge, on assets of community value, and on council tax referendums. As the Minister of State, my right hon. Friend Member for Tunbridge Wells (Greg Clark), said at the beginning of our debates, the fundamental aim of the Bill is to shift power away from central Government and back to local communities. This part of the Bill enables decentralisation to be taken beyond the town hall, so that we can empower communities and enable them to play a bigger part in local life, whether their aim is to improve local services or to save treasured assets. Community rights will give communities more opportunities to do exactly that. When it is successful, it will give them a chance to compete to deliver those services themselves, using local knowledge, expertise and innovation to improve local services.

Assets of community value will hand communities the initiative so that they can identify important local assets such as the old town halls, village shops and pubs that are of value to community life. There are already many good examples across the country of communities coming together to take over local pubs, shops, libraries and community centres. I think that all of us will have seen examples—if not in our constituencies, during visits to other areas. However, there are many more cases in which communities have missed out because they were not aware that a building was up for sale, or because when they discovered that, they lacked the time to make a viable bid. The new right will make it easier for communities to save local assets that are important to them, and will give them the time that they need to prepare a bid to take them when they come up for sale.

We are also replacing central Government capping with council tax referendums. I had intended to say more about that, but I think that I covered it adequately in the last debate.

A wide range of bodies have said that the powers and opportunities that we are providing are long overdue and very welcome. The National Association for Voluntary and Community Action, the Association of Chief Executives of Voluntary Organisations, the National Council for Voluntary Organisations and Locality have all expressed the view that we are doing the right thing, and during the Bill's passage Members on both sides of the House have expressed broad support for the principles of our reforms.

However, Members wanted us to go further in some respects, and expressed concern about the details of a number of other aspects of our proposals. As my right hon. Friend said, we have been in listening mode throughout. We have considered the points that have been made not just by Members of the House of Commons, but by peers and interested parties outside. The hon. Members for Birmingham, Erdington (Jack Dromey) and for Worsley and Eccles South (Barbara Keeley) played an important role in the debates that led to the amendments, and in the other place Lord Greaves, Lord Tope, Lord Patel of Bradford and Baroness Hamwee made helpful contributions.

Although we had some excellent debates here in Committee and on Report, we did not think it appropriate to amend the provisions until we had had a chance to consider all the responses to the consultation carefully. That consultation closed in May. Following consideration of the responses and the debates in the House of Lords, we tabled amendments on Report intended to improve the workability of the provisions in the Bill and strengthen their effectiveness.

On the right to challenge, the consultation and debates in both Houses demonstrated that there was an appetite to extend the reforms, but also that there were concerns about the prescription in the Bill. To address the former, amendment 115 makes it clear that the right could be extended to require a Minister or Government Department to consider expressions of interest. To address the latter concern, we have removed a number of delegated powers, particularly those allowing the Secretary of State to prescribe time scales associated with the right to challenge. Instead, under amendments 118 to 121 it will be for local authorities to set their own time scales, while having regard to factors to be set out in guidance.

There are also a number of minor amendments to the right to challenge. I will not detain the House by describing them in detail, but, for example, we have made it clear that the definition of community body in the provisions does not include a public or local authority, and we have ensured that if the right is extended, it would continue to apply only to services provided in England.

There has also been broad support for the principle of giving communities greater opportunities to identify assets of community value and more time to raise the funds. We have also had constructive discussions about improving the practical application of the provisions and avoiding overly detailed rules. I would particularly like to thank Lord Gardiner of Kimble, Lord Cameron of Dillington, Earl Cathcart and Lord Howard of Rising for their contributions to improving these provisions.

We have listened carefully, and amendments 122 to 126 define land of community value based on principal use for social well-being and social interests, including cultural, recreational and sporting interests. Amendments 127 to 130 make it clear that only a voluntary or community body with a local connection may nominate an asset to be listed by a local authority, which will safeguard against vexatious nominations by individuals. We have also improved the workability of these provisions by exempting certain types of relevant disposal: those where the community is not at risk of losing the asset. Amendments 140 and 144 exempt several types of relevant disposals from the moratorium in the Bill. As a result, the provisions will not cover situations such as where a village shop is to change hands as a going concern and the community will still get the benefit of a shop, nor will they capture a situation where a transfer is made between family members or through inheritance or gifts. Further exempt disposals will be set out in regulations. Most importantly, we have ensured that groups will have enough time to raise funds to buy assets; that was a key concern of community groups.

Amendments 141 to 145 specify that the interim moratorium will be six weeks, the full moratorium will be six months, and the protected period in which a further application cannot be made will be 18 months, starting from the first date. In other words, there will, in effect, be a 12-month moratorium period. We have also reduced the amount of prescription. Amendments 131, 132, 134 and 135 give local authorities greater freedom to decide how to administer and publicise lists of assets of community value in their local area. In summary, these amendments will ensure that the provisions give communities a powerful new tool to preserve assets of community value, while ensuring that we do not create unintended consequences.

These reforms were welcomed by the National Association for Voluntary and Community Action and by the Country Land and Business Association. When both those organisations claim victory, it is clear that we must be doing something right.

Finally, this group also contains a number of smaller technical amendments, which include provision for ensuring that levies made on local authorities by levying bodies are not part of the calculation on whether a council tax increase is excessive, and for ensuring that only residents, and not business voters, in the City of London are entitled to vote in a council tax referendum. I hope that that gives at least a little comfort to the hon. Member for Hayes and Harlington (John McDonnell). Overall, I hope that hon. Members will agree that these amendments significantly improve the Bill and address issues of common concern, and so will agree to them unanimously.

Roberta Blackman-Woods (City of Durham) (Lab): Labour Members broadly support the amendments, which support some of the points made earlier by my hon. Friend the Member for Warrington North (Helen Jones). This whole part of the Bill had to be substantially rewritten following discussions in this Chamber, in Committee and in the other place. Although it purported to give communities more power over their areas, it actually gave a lot more power to the Secretary of State to outline the time scale for local authorities to consider a transfer of community assets and on what those were. We are pleased, therefore, that a definition of land of community value has been put in the Bill and that some of the ridiculously prescriptive powers relating to the community right to bid have been removed or put where they should have been put—with local authorities. We are also pleased that the amendments should enable local authorities to set and publish their own time scales for deciding on community expressions of interest. I hope that that is helpful to them and to the local communities that wish to take over assets.

John McDonnell: I shall be extremely brief. I wholeheartedly welcome this part of the Bill and the amendments proposed, but I would also welcome some advice from the Minister on the time scale for the implementation of the Bill and this bit of it. I shall quickly give a relevant example.

In my constituency, a library has been closed and a new one opened. I did not get everything I wanted, but I congratulate the local authority on opening the new library. For some time, there has been an expectation—indeed, promises have been made by the local authority in the past—that the previous and now redundant library would be handed over for community use. Despite a petition signed by more than 4,000 people urging the local authority to provide this facility for community use in some form, the London borough of Hillingdon is now rushing ahead with its sale. Last week, the authority actually gave itself planning permission for housing, despite the fact that I appeared at the petition hearing with the petition and directly quoted words of wisdom from the Secretary of State. He had cited a library being made redundant as an example of exactly what this Bill is intended to address.

So I ask the Minister about the London borough of Hillingdon's undue haste to give itself planning permission for housing and to sell the site off to pre-empt the coming into force of this Bill. Will he assure me that something can be done to persuade the authority to listen to the local people and enable us to use this Bill for the purposes for which it was intended: to empower local people in respect of just this sort of asset? I would welcome any assurance that he could give, any advice that he might wish to render to the London borough of Hillingdon and anything that he can say about the importance of the community being listened to on such examples.

Andrew Stunell: I welcome the hon. Member for City of Durham (Roberta Blackman-Woods) to the Front Bench and welcome her welcome for the amendments that we have introduced. I understand that she obviously has to go through the ritual motions of accusing us of U-turns, but what we actually have is a Government who are listening and ready to share their learning with the House. We did not come to the House with a finished product, as my right hon. Friend the Secretary of State made clear from the moment the Bill was produced. I believe that the Bill has been improved at each stage of its progression and has now reached a state of perfection.

9.15 pm

The hon. Member for Hayes and Harlington (John McDonnell) has, as ever, skilfully brought to the House an issue of great importance to him and his constituents. I can tell him that, subject to events tonight, the Bill will go for Royal Assent later in the year and will come into force next year. He will not be surprised to hear that it does not contain any retrospective provisions and I am afraid there is nothing I can say that will make it retrospective. He invites me to join him in criticising the council for its decisions. That is his right and prerogative as a constituency MP and I am pleased that he is doing so but, in the spirit of localism, as a Minister I am bound to say that these are matters for local decision making, although I might have a view about the decision it took.

John McDonnell: May I clarify that I am not enticing the Minister to criticise the local authority? However, there is an issue here. A Bill is coming to its conclusion and will shortly be enacted. Should not true a local authority taking a reasonable decision and taking into account all relevant factors take into account the fact that the Government intend the Bill to be implemented rapidly? Should it not therefore act in the spirit of the Bill?

Andrew Stunell: Perhaps it would be appropriate for the hon. Gentleman to make sure that the report of this exchange in *Hansard* is drawn to the attention of the council leader.

I can add a little more information about the timetable. The implementation of the rights requires secondary legislation in accordance with the procedures agreed by the House. Affirmative resolution measures require parliamentary time and consultation and we cannot prejudge exactly what the outcome will be. However, preparatory work is well in hand and the ministerial team certainly intend to get all these rights not only on the statute book but make them effective and active in local communities as soon as possible.

Mr Raynsford *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I do not think the right hon. Gentleman has been in his seat long. He really ought to think about whether he wants to make this intervention. Is it crucial?

Mr Raynsford *indicated assent.*

Mr Deputy Speaker: Then I shall allow it.

Mr Raynsford: I am very grateful to the Minister for giving way. He will know that the Government have taken the view, in relation to the next part of the Bill on planning, that their intended policy should be a material consideration for local authorities when assessing planning matters. Would it not be appropriate to do exactly the same in respect of the request of my hon. Friend the Member for Hayes and Harlington (John McDonnell)? Should it not be made clear to the council that the imminent implementation of this measure should be a material consideration when deciding the future of the library?

Andrew Stunell: The right hon. Gentleman is being a little naughty. As he knows, the material consideration is a matter for the courts, not for interpretation by the Government. Of course, it is open to the local authority to take account of forthcoming legislation and, as I am sure the hon. Member for Hayes and Harlington will point out, that might provide an opportunity for it to move ahead of the change just as much as it might incline it to wait for the measure to be implemented. As ever, one should be careful what one wishes for in this place.

Lords amendment 113 agreed to, with Commons financial privileges waived.

Lords amendments 114 to 150 agreed to, with Commons financial privileges waived in respect of Lords amendments 114, 115, 131, 148 and 150.

Clause 94

Abolition of regional strategies

Greg Clark: I beg to move, That this House agrees with Lords amendment 151.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Lords amendments 152 and 153.

Lords amendment 154, and amendment (a) thereto.

Lords amendments 155 and 156.

Lords amendment 157, and amendment (a) thereto.

Lords amendments 158 to 165, 237, 238, 240, 257, 262, and 350 to 368.

Lords amendment 369, and amendment (a) thereto.

Lords amendment 370, and amendment (a) thereto.

Lords amendment 371 to 382, and 418 to 425.

Greg Clark: Among the areas where centralisation has increased over the years is in the planning system. The regional spatial strategies, whatever their intentions, clearly took power from local communities. We made good progress in Committee in addressing the replacement for regional strategies in dealing with larger than local matters. The Bill introduces more opportunities for neighbourhoods through neighbourhood planning, and brings in compulsory pre-application scrutiny.

As we have worked through, we have established a good deal of common ground. The Committee debate focused on the duty to co-operate. Informed by the Royal Town Planning Institute and discussions across the Front Benches, we listened to the Committee and, as we indicated on Report, made various changes that have been reflected in the Bill as it left the House. We said on Report that the neighbourhood planning section would be amended in the House of Lords. We considered carefully suggestions made from all parts of the House, and the amendments before us today reflect that.

It is important to say that we want to see more planning, not less. We feel that over time the imposition from above has stood in the way of local communities expressing their own vision of the future of their community. That is what we want to give them a greater chance to do. At the heart of that is the need to achieve sustainable development. Section 39 of the Planning and Compulsory Purchase Act 2004 provides a duty on those preparing local plans to do so with the aim of contributing to the achievement of sustainable development.

Amendment 370 extends that principle to neighbourhood planning, with an explicit condition that it should contribute to the achievement of sustainable development. The duty to co-operate will require that public bodies should co-operate effectively on sustainable development. We debated in Committee whether to include the definition of sustainable development on the face of the Bill or whether it should be in guidance. I made a commitment to think seriously about that, which we did. We had various discussions in the other place involving Members on both sides of the House.

Let me say at the outset that there is no issue in principle with the definition proposed by the hon. Member for Birmingham, Erdington (Jack Dromey) and the right hon. Member for Leeds Central (Hilary Benn) in their amendment (a). It reflects the 2005 sustainable development strategy, which has not been repealed. In evidence not to the Select Committee chaired by the hon. Member for Sheffield South East (Mr Betts), to which I shall be giving evidence later in the week, but to the Environmental Audit Committee I and a DEFRA Minister made it clear that the 2005 strategy remains extant and we have no difficulty with the content of it. Of course, that has been captured in previous guidance—PPS1 in particular—and was updated from the first iteration of the sustainable development strategy in 1999.

There was a serious debate in the other place about whether the best place to reflect the shared view of sustainable development is on the face of the Bill, or whether that should be, as it always has been, in guidance. On Report there was some concern that a statutory definition makes it difficult to capture the full range of aspects of sustainability, which may include but go beyond some of the provisions in the sustainable development strategy. I happen to think, and I have said to the Environmental Audit Committee, that some of the thinking in the natural environment White Paper makes some helpful suggestions that one should be looking for a net gain for nature. It is important to be open to that.

In the other place, Baroness Andrews, the chairman of English Heritage and a recent former planning Minister, made some of the same arguments about heritage. She said:

> "I feel strongly that one of the elements that is not in this amendment"—

the amendment before us is similar or even identical to the one that was considered in the other place—

> ". . . is including something about our vital cultural and heritage needs, including those of future generations."

She went on to say that

> "one might add, for example, 'meeting the diverse social, cultural, heritage needs of all people in existing and future communities and promoting well-being and social cohesion and inclusion'."

The noble Lady said that

> "if we are to debate the amendment",

the Minister should consider whether the definition could be sufficiently flexible to include

> "the new elements of the definition."—[*Official Report, House of Lords*, 12 October 2011; Vol. 730, c. 1750.]

I cite that as an example of someone who shares our good will on that point and has recent experience in government of planning and of some of the difficulties.

Joan Walley (Stoke-on-Trent North) (Lab): I hear what the Minister says about Baroness Andrews, but the Government's response to the Environmental Audit Committee's report stated:

> "The Government agrees that we should put the pursuit of sustainable development right at the heart of the planning system's objectives and operation, and that we should be clear about what this commitment means in practice."

How can they be clear about that if it is not in the Bill?

Greg Clark: I hope to convince the hon. Lady when I say more on that in a few minutes. As we are considering Lords amendments, I will reflect on the conclusions that were drawn after extensive debates on all these issues in the House of Lords and what its settled view was. Lord Howarth of Newport, a Labour peer, said:

[Greg Clark]

> "Like other noble Lords I do not think that it is appropriate to attempt a full definition on the face of primary legislation because… the right place for that is guidance."—[*Official Report, House of Lords*, 31 October 2011; Vol. 731, c. 1078.]

The Opposition spokesman, Lords McKenzie of Luton, in summing up, said:

> "We accept that definitions are not going to be included in the Bill but I hope that at least we shall be able to get very strong assurances that there will be full definitions in the NPPF."—[*Official Report, House of Lords*, 31 October 2011; Vol. 731, c. 1076.]

At the end of the debate, he said that he was happy to withdraw the same amendment because my noble Friend Baroness Hanham had

> "given the strongest degree of reassurance I have heard to date on the issue."—[*Official Report, House of Lords*, 31 October 2011; Vol. 731, c. 1088.]

A view was reached in the House of Lords on the basis of assurances that my noble Friend gave. I will not quote from some of the other reflections, but some colleagues there said that this went even further than they had expected.

In answer to the hon. Member for Stoke-on-Trent North (Joan Walley), the Government are committed to a clear definition of sustainable development and think that policy is the right place for it. I have said clearly that we have no difficulties with the 2005 definition, which I think is ably reflected in the amendment. Hon. Members will know that I cannot pre-empt the consultation on the NPPF, but in all the deliberations we have had on the Bill my assurances about the Government's good faith have always been reflected and brought to a final conclusion. I hope that Opposition Front Benchers will bear that in mind.

Alison Seabeck (Plymouth, Moor View) (Lab): I am sorry to say that the frustration I felt in Committee is now overflowing. The Minister is talking about pre-empting things, but surely by having legislation before he has the policy he is pre-empting the whole process. Everything is back to front. How can we legislate without seeing the detail of the NPPF in its final form?

Greg Clark: That was considered in the House of Lords. These things have always been captured in policy. I could not have been clearer when I said that we have no difficulty with the 2005 strategy or its wording. A cogent case has been made—let me put it that way—for expanding and strengthening the definition in the NPPF. I hope that that demonstrates, on the basis of this House's experience of the scrutiny of the Bill and the commitments the Government have made, that there is no difference in our commitment to the matter. Indeed, I have expressed a personal view that I think we could go a little further than the 2005 strategy. We will reflect on these contributions in the consultation on the NPPF and respond in due course.

Let me say something about neighbourhood planning, because from the start we all agreed on our ambition to give communities greater opportunity to provide for a vision of their future at a level below the local planning authority. We had some debate about whether it should apply only in parished areas or whether it should be available to non-parished areas, and there was again a degree of consensus on the idea that it should be available to those parts of the country, including the place to which my hon. Friend the Member for Cleethorpes (Martin Vickers) referred, where there was no appetite for a town council but where, nevertheless, there might be an appetite for a neighbourhood plan.

9.30 pm

We agreed to strengthen the safeguards, concerns about which were expressed in this place and in the House of Lords. We have done that in Lords amendments 356 to 358 and 368. The hon. Member for Birmingham, Erdington invoked The Dog and Duck as the test of a place that should be used for the gatherings of neighbours in contemplating a neighbourhood plan, and he suggested that its saloon bar should have a minimum of 21 people. In fact, I think he suggested fewer, but we thought there should be 21, and that found favour elsewhere. Such forums should be open as a right to every ward councillor, and it is important that democratically elected representatives should participate, and that neighbourhood planning should contribute to the social, environmental and economic benefit of the area.

Lords amendment 370 introduces the sustainable development test for local planning. Plans, in their examination, will need to conform and contribute to the achievement of sustainable development, and the amendment also specifies that a neighbourhood plan can apply to all or part of a parish or neighbourhood area.

Amendment (a) to Lords amendment 369 would provide a statutory right for members of communities to comment. It is clearly important that people are able to express their views, but we regard the amendment as unnecessary, because Lords amendment 369 includes community consultation, with a requirement for a statement of consultation to go forward for examination, and we are consulting now on the regulations to introduce it.

Opposition Front Benchers also introduced the proposal that businesses should be able to participate in making neighbourhood plans. Lords amendment 360 allows councils to designate business neighbourhoods that are wholly or largely occupied by businesses, but there will be a double lock: there will need to be two referendums, and if either the business community or the residential community objects, the matter will be for the local council to decide.

The House of Lords has sent back various amendments on the community infrastructure levy, and we think it important that neighbourhoods retain a stake in the benefits and some contribution to the cost of hosting development, so there is a suggestion that a meaningful proportion of CIL be allocated to them. We will consult on what proportion that should be.

We have considered the restrictions on the use of CIL in response to comments that my right hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes) made. The House of Lords concluded that there should be greater flexibility in the use of CIL revenues for that proportion which goes to neighbourhoods, recognising that the effects of development on neighbourhoods are local and diverse, and that it should be possible to consider them.

In considering CIL schedules, the independent assessor must already consider the viability of rates of community infrastructure levy, and we will provide statutory guidance, including an assessment that that should consider the delivery of affordable housing.

The amendments proposed by the hon. Member for Birmingham, Erdington are therefore unnecessary and would remove some of the transparency that CIL offers. There would be a return to case-by-case deals, negotiated privately, which provide no greater benefit than sticking to section 106.

There are some technical amendments on strategic planning. Lords amendments 151 to 155 allow the removal of regional strategies by an order laid by the Secretary of State, rather than through a provision to have their abolition commenced by order. We intend to lay orders revoking the regional strategies as soon as possible after Royal Assent, subject to the voluntary strategic environmental assessment in which we are engaged.

Amendment 156 strengthens the test of soundness of the duty to co-operate, and amendment (a) deals with transitional arrangements. Again, I want to assure the hon. Member for Birmingham, Erdington and his colleagues that there will be transitional arrangements. In a system that is designed to advantage plan making, in the move from one system to another, it was always intended that we would not contemplate anything that does not allow local authorities to maintain their ability to plan for the future and make decisions in accordance with their needs. So there is no need for legislative measures. Such an approach can be delivered through policy, and we will set that out very clearly in our response to the consultation. I give that commitment.

Mr Betts: We on the Select Committee on Communities and Local Government received much evidence on the important issue of transitional arrangements. Does the Minister accept that the purpose of transitional arrangements is to enable local authorities to adjust to the new planning regime that will eventually be implemented, and to give them time to do so properly? There will be detailed, thorough negotiations with the Local Government Association in trying to reach an agreement about what a proper length of time for that transitional arrangement should be.

Greg Clark: I concur with that.

Overall, the amendments improve the Bill. I am grateful to their lordships for the time they spent scrutinising and approving them, and to all Members of this House and the other place who participated in initiating the amendments we have back with us today.

Roberta Blackman-Woods: I want to try to deal with a number of issues arising from the Lords amendments very quickly indeed. I shall start with amendment (a) to Lords amendment 154 on transitional arrangements.

As with many other key aspects of the Bill, hon. Members will know that discussions have already taken place in this House and in the other place about the need for some form of clear transitional arrangements to be specified in the Bill. In the early stages, it was evident that transitional arrangements were not at the forefront of the Government's planning agenda but, as time has gone on, it has become increasingly apparent that, without them, the local planning system could be thrown into chaos and confusion.

As such, it is worth trying one last time to convince the Government of the need to include transitional arrangements in the Bill. That seems particularly necessary because the arrangements are needed very soon. Therefore, the alternative of including them in the national planning policy framework when it is eventually published, which was raised in the other place, is not practical. Previous significant planning legislation in 2004 and 2008 put clear transitional arrangements in the legislation to assist local authorities in moving from one planning system to another. This Bill should do the same.

I heard the Minister's comments about amendment (a) to Lords amendment 157 on the community infrastructure levy, but Labour Members have grave concerns about the degree of prominence the Government are giving to the issue of unviability and the extent to which that might limit the application of the community infrastructure levy in practice. It is extremely important for there to be independent assessment of the developers' costs whenever they are arguing unviability. We would like the Minister to consider the matter and if he does not address it in the Bill, to do so in the guidance that accompanies the Bill, so that such a situation does not occur.

The amendment to Lords amendment 369 is very straightforward. In keeping with prescribed requirements, before a neighbourhood planning order can be submitted to the local authority, the amendment would require public consultation to take place. In particular, we want to make sure that community and voluntary organisations get a chance for their voices to be heard. Labour is very keen to ensure, wherever possible, that community and voluntary organisations are able to be fully represented and engaged in the planning process. We would like Lords amendment 369 to be strengthened if possible.

I do not wish to go on at length about our amendment to Lords amendment 370, because we have had a number of opportunities to discuss the need for the Bill to have a definition of sustainable development. The current definition in the NPPF is not strong enough, and we would like the Minister to consider taking on board the definition in the 2005 sustainable development strategy. That is very important.

We understand why neighbourhood business areas have been put into the Bill, but we are concerned to ensure that consultation on those areas includes local residential communities. I will finish my comments there because we would, if possible, like to get to vote on amendment (a) to Lords amendment 154 and amendment (a) to Lords amendment 370.

Mr Tobias Ellwood (Bournemouth East) (Con): I welcome this Bill and these amendments as we pass powers and responsibilities away from Westminster to local authorities.

There is sometimes a dissonance between the laws that we prescribe here in Parliament and their impact on the front line. I would like to ask the Minister a couple of questions to clarify clause 94 and the abolition of the dreaded regional spatial strategies in relation to a constituency dilemma that we face in Bournemouth. Bournemouth borough council is currently drafting its core strategy—the local plan. That is the significant document of planning intent for the next few years but it is still subject to the old regional spatial strategy because the Bill has not passed into law. The RSS obliges councils to make provision for Gypsy and Traveller sites. Three locations have been earmarked for permanent sites in the proximity of the green belt in the northern

[Mr Tobias Ellwood]

part of my constituency. The locals are obviously concerned about this. We had a small debate about nimbyism earlier, but clearly Bournemouth borough council should now have the right to determine whether it wishes to pursue this instead of its being imposed on it by Westminster.

I would argue that three Gypsy and Traveller sites in close proximity in a very quiet part of one single community is a bit much. The area is part of Bournemouth's very small and diminishing green belt. This is also about sharing and quid pro quo—about assets we have in Dorset that are used by the wider conurbation. For example, we have a vibrant town centre, an airport, and incineration facilities. Bournemouth took the biggest hit as regards housing development following the numbers that were imposed on Dorset by the previous Government; most of the housing built in the county was built in Bournemouth. There is therefore a feeling in Bournemouth that we have already contributed, to some degree, to planning law and planning responsibility. There is therefore a question as to whether it is right for these Gypsy and Traveller sites to be imposed on the area as they have been.

Clause 94 removes the regional spatial strategy, but the Bill is not yet law and the core strategy from Bournemouth borough council has to be submitted. Will the Minister therefore confirm that the removal of the RSS changes the obligations of all core strategies, that there will be an opportunity for councils right across the country to re-submit those core strategies once the Bill receives Royal Assent, and that this all sits well with the other legislation that is affected—the Housing Act 2004, which also covers provision for Gypsy and Traveller sites? I would be grateful for clarification on those issues. To confirm the feelings of residents, I am running a petition that I will shortly hand to the Minister with a collection of signatures to ensure that this message is understood. I look forward to his reply.

Annette Brooke: I welcome the Lords amendments and will comment on two aspects of them.

I agree that transitional arrangements are of prime importance. I accept that they do not necessarily have to be in the Bill, but I urge the Minister to provide some clarity on them as soon as is practical because it is making planning difficult in many respects in local areas.

9.45 pm

Following on from the comments of hon. Member for Bournemouth East (Mr Ellwood), all Dorset councillors are currently consulting on potential Traveller sites. It will be helpful if there is timely clarity on the consultation on Traveller sites, so that councils are clear about their position.

I have made much of the point that there should be a definition for sustainable development, preferably based on the 2005 definition. I have taken from the Minister tonight a clear indication that we will get a stronger definition of sustainable development and that it is likely to be in the national planning policy framework. I welcome that comment. Of course, I shall return to the Minister to make further comments if that is not the case.

Mr Speaker: Is the Minister looking to speak again?

Greg Clark: I am happy to.

Mr Speaker: We are grateful to the Minister. If one pops the question, one is likely to get the answer.

Greg Clark: I am grateful, Mr Speaker; I do not know what to make of that comment. I will respond to a few of the points that have been made by hon. Members, including the hon. Member for City of Durham (Roberta Blackman-Woods).

I have been clear that there will be transitional arrangements and that we will ensure that they are produced in a timely way so that there is no difficulty with authorities preparing for the introduction of the national planning policy framework. That does not require an amendment. The amendment proposed by the hon. Member for City of Durham does not specify what the transitional arrangements should be. All it does is to elicit the commitments that I have given her tonight. I see that she is nodding. I hope that she accepts that and that my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) takes the same view.

On the community infrastructure levy, the regulations already require the independent assessment of viability when an authority considers a claim for CIL relief from a developer to be unviable, especially in the case of affordable housing. I give that commitment. If the hon. Member for City of Durham has any suggestion that the guidance is inadequate in any way, I am happy to meet her to consider that, but that has not been our experience so far.

My hon. Friend the Member for Bournemouth East (Mr Ellwood) knows that we recently concluded a consultation on Gypsy and Traveller policy. It would not be appropriate for me to pre-empt that, but I would say that the abolition of the regional strategies puts clearly into the hands of local authorities the ability to assess the needs of Gypsy and Traveller communities across the country. Of course, the changes that we have discussed tonight provide for a fairer system of enforcement, whereby a planning application that is introduced retrospectively does not stay the enforcement action, which has sometimes been the case.

Mr Ellwood: Bournemouth borough council received legal advice encouraging it to continue with the legal process of going to consultation, as my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) suggested. However, I hear from my hon. Friend the Member for Cannock Chase (Mr Burley) that the legal advice given to his council was that it did not need to pursue that process because the intent of the Government was that the regional spatial strategy would be removed and that therefore the core strategies did not need to include Gypsy and Traveller sites. One council is being told one thing and another is being told something else.

Greg Clark: That is often the case with legal advice. This is a matter for the courts. The Under-Secretary of State, my hon. Friend the Member for Hazel Grove (Andrew Stunell) pointed out that the weight given to emerging policy is a matter for decision makers. It is not possible, however tempting, for Ministers to direct decision makers on that point. Regional strategies have set out guidance to date, but it is for decision makers to decide how much weight they want to give to the Government's intentions in revoking regional strategies.

I shall conclude by saying a little about the definition of sustainable development. I think it is obvious to every Member who has participated in these debates that our intention is to reflect, through guidance, a stronger and more expansive definition. I have made it quite clear that the 2005 strategy offers a basis that has been commended to us by many respondents to the consultation. It is extant, and I have no difficulty with it. We may be able to go further in some respects, but it is clear and reflects the considered views of both Houses.

The colleague of the hon. Member for City of Durham in the other place thought it was right to withdraw the Opposition amendment there on the basis of the same assurances. Given that, and given that the consultation has closed and it will not be much longer before she can see the outcome of our deliberations, I hope she will not press her amendment on the subject. I commend all the Lords amendments in this group to the House.

Lords amendment 151 agreed to.

Lords amendments 152 and 153 agreed to.

Amendment (a) proposed to Lords amendment 154.—(Roberta Blackman-Woods.)

Question put, That the amendment be made.

The House divided: Ayes 205, Noes 305.

Division No. 392] **[9.52 pm**

AYES

Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Dromey, Jack
Dugher, Michael
Eagle, Maria
Edwards, Jonathan
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Joyce, Eric
Kaufman, rh Sir Gerald
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewis, Mr Ivan
Llwyd, rh Mr Elfyn
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonnell, John
McFadden, rh Mr Pat
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Whitehead, Dr Alan
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Yvonne Fovargue and
Susan Elan Jones

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davies, David T. C.
(Monmouth)
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Freeman, George
Fullbrook, Lorraine
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, rh Nicholas
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa

Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
Wiggin, Bill
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Greg Hands and
Mark Hunter

Question accordingly negatived.

10.7 pm

Proceedings interrupted (Programme Order, this day).

The Speaker put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83F)

Lords amendment 154 agreed to.

Lords amendments 155 to 441 agreed to, with Commons financial privileges waived in respect of Lords amendments 157 to 165, 225, 226, 250 to 254, 257, 260, 294, 295, 302, 312, 334, 335, 337 to 344, 349, 371, 376, 377, 387, 389, 395, 399 to 402.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

COAST PROTECTION

That the draft Incidental Flooding and Coastal Erosion (England) Order 2011, which was laid before this House on 5 September, be approved.—*(James Duddridge.)*

Question agreed to.

REGULATORY REFORM

Motion made, and Question put forthwith (Standing Order No. 18(1)),

That the draft Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 2011, which was laid before this House on 19 July, be approved.—*(James Duddridge.)*

Question agreed to.

STANDARDS AND PRIVILEGES

Ordered,

That Tom Blenkinsop be discharged from the Committee on Standards and Privileges and Julie Hilling be added.—*(James Duddridge.)*

COMMITTEES

Mr Speaker: With the leave of the House, we will take motions 7 and 8 together.

Ordered,

COMMUNITIES AND LOCAL GOVERNMENT

That Steve Rotheram be discharged from the Communities and Local Government Committee and Bill Esterson be added.

EDUCATION

That Nic Dakin be discharged from the Education Committee and Alex Cunningham be added.—*(Geoffrey Clifton-Brown on behalf of the Committee of Selection.)*

PETITION

Teachers' Pension Scheme

10.8 pm

Nic Dakin (Scunthorpe) (Lab): A couple of weeks ago, Andy Yeadon of John Leggott college and Stephen Buck and John Outhwaite of Frederick Gough school brought a petition to me that I should like to place before the House on their behalf and that of the other petitioners from John Leggott college and Frederick Gough school who have signed it.

The petition states:

> The Petitioners therefore request that the House of Commons urges the Government to withdraw its proposals on reform of teachers' pensions, and conduct a valuation of the Teachers' Pension Scheme.
>
> And the Petitioners remain, etc.

Following is the full text of the petition:

[The Petition of staff at John Leggott College, Scunthorpe, and Frederick Gough School, Scunthorpe,

Declares that the Petitioners note that the Teachers' Pension Scheme, along with other schemes, was reformed in 2007 to ensure sustainability and viability for the long term, declares that the Petitioners reject the Government's claim that such schemes are unaffordable and a drain on taxpayers, further declares that the Petitioners believe that proposed changes to public sector pensions, including those of teachers, lecturers, principles and head teachers working in maintained schools, academics, independent schools and teaching colleges are unjustified and declares that the Petitioners believe that continuing government changes to these pensions will be deeply damaging to staff recruitment, retention, mobility, morale and motivation and will jeopardise the education of all children and young people.

The Petitioners therefore request that the House of Commons urges the Government to withdraw its proposals on reform of teachers' pensions, and conduct a valuation of the Teachers' Pension Scheme.

And the Petitioners remain, etc.]

[P000974]

Patient Security (Mental Health System)

Motion made, and Question proposed, That this House do now adjourn.—*(James Duddridge.)*

10.9 pm

Nicky Morgan (Loughborough) (Con): I am extremely pleased to have the opportunity to raise this important topic in the Chamber tonight. I should declare at the outset my position as a vice-chairman of the all-party parliamentary group on mental health.

The Government's recent mental health strategy stated that mental ill health represented up to 23% of the total burden of ill health in the UK, and that it was the largest single cause of disability. At least one in four adults will, at some point in their life, experience a period of mental ill health. For some, it may be a relatively mild, one-off episode. For others, the first episode will herald the start of a long-term relationship with the mental health services in all their guises. Such episodes, whether short term or long term, have a profound effect not only on the person suffering with a mental health condition but on their families and friends, many of whom will never have come into contact with these conditions or this part of the NHS before.

In the most serious cases, a patient might spend a period of time in an acute care setting, either voluntarily or while being detained under the Mental Health Act for their own welfare and the welfare of those around them. At such times, the patient and their families and loved ones will expect the patient to be kept safe and secure while they are given the appropriate therapy and treatment to enable them to resume their place in our communities. That expectation, and the fact that it is sometimes not fulfilled, are the focus of this short debate tonight.

In June 2010, shortly after I was elected as the Member of Parliament for Loughborough, I was approached by a constituent, Glyn Brookes, who told me about the tragic death of his daughter, Kirsty. I appreciate that the Minister is unlikely to be able to respond to this particular case, although I have sent his office a copy of the coroner's report into Kirsty's death. However, it is because of this case that I have ended up leading this debate tonight.

Kirsty was a patient at the Bradgate unit at University Hospitals of Leicester. She was able to escape from the unit using the frame of an external door to help her. Her escape was not dealt with as it should have been, and she was able to commit suicide before either the hospital authorities or the police found her. This has clearly been devastating for the Brookes family, and I would like to pay tribute to them, and particularly to Mr Brookes who contacted me to tell me their story. I would also like to pay tribute to the excellent coroner whose report helped, I think, to answer the Brookes family's questions about the tragedy. I should say that I have spoken to the former and current chairmen of Leicestershire Partnership NHS Trust, which administers the unit, and I understand that work is ongoing to learn and act on the lessons of this case.

As a result of the case being raised with me, I began to wonder how many other patients absconded each year from units run by our mental health trusts. I submitted Freedom of Information Act requests to all 58 of the mental health trusts in England, 57 of which have replied. The figures make grim reading. Before I go into them, however, I should say that this exercise has shown me that there is a real variety in the quality of record keeping at the trusts. There also seems to be a real difference in the way in which the term "abscond" is used by the trusts as a basis for recording the relevant information. I hope that the Minister and the Department will be able to help with this matter.

The Mental Health Act 1983 defines "abscond" as when a patient who is liable to be detained under the Act

> (a) absents himself from the hospital without leave granted under section 17 above; or
>
> (b) fails to return to the hospital on any occasion on which, or at the expiration of any period for which, leave of absence was granted to him…; or
>
> (c) absents himself without permission from any place where he is required to reside in accordance with conditions imposed on the grant of leave of absence".

In responding to my request for information, some trusts used this definition, while others made the distinction between a patient who was "absent without leave", "absent without explanation", "missing" or escaped. In addition, some trusts use the terms "AWOL" and "abscond" interchangeably without definition or explanation. Other trusts used only "abscond", but did not define what they meant by the term. Finally, some trusts provided the number of "incidents" of absconding, rather than the number of patients. Others did not make that distinction. For simplicity, however, the figures that I will now mention refer to the total number given for the five-year period that I asked about, and therefore do not differentiate the different types of absconding incident.

My research showed that in the past five years about 40,500 incidents of absconding occurred, ranging from a total of three reported incidents for Barnet, Enfield and Haringey Mental Health Partnership Trust to 3,891 for Lancashire Care NHS Foundation Trust. There is significant variation across the country, so clearly some trusts are doing things very differently from others. In the case of Leicestershire Partnership NHS Trust, the total figure for the past five years is 386. I must stress caution in comparing those numbers. We could, in many cases, be comparing different things—although the overall effect of patients absconding is the same—simply because the trusts use their own definitions, despite the fact that the Department of Health has published its definitions of absconding and escaping.

Dr Julian Lewis (New Forest East) (Con): I do not know where on my hon. Friend's list the Hampshire Partnership NHS Trust figures, but did she find any correlation between the quality of the infrastructure of the units and the numbers of people absconding? Did she find, for example, that a brand-new unit, such as Woodhaven in my constituency, tended to have a lower rate of such problems? This is of particular interest to me, as that eight-year-old hospital is threatened with closure, and I have a debate on it later this week.

Nicky Morgan: I am grateful to my hon. Friend. I have seen the subject of his Adjournment debate later this week. Unfortunately, I did not have the opportunity to go into that level of detail, but I shall come to the quality of care and to demonstrate that it has a huge impact on the absconding rate for patients. As I shall come on to mention, this is an issue on which the Department of Health and the trusts could work together. Interested Members or other interested parties should see the link between absconding and the quality of care given. There is no doubt that there are innovative ways of ensuring that patients do not feel the need to abscond, and that if they are outside the environment, of ensuring that they will come back because they know that they will receive therapeutic treatment.

As I was saying, despite all the caveats, the numbers are simply too high for organisations that owe their patients a duty of care. The fifth agreed objective in the Government's mental health strategy launched earlier this year stated:

> "Fewer people will suffer avoidable harm—people receiving care and support should have confidence that the services they use are of the highest quality and at least as safe as any other public service."

This is, of course, an objective that anyone who has an interest in any health service, but particularly mental health services, would want to see met. The fact is that guidance is already in place for mental health trusts and for those working within them to follow, although it would be fair to say that a lot of that guidance deals with how to react to an incident of absconding rather than offering concrete guidance on prevention. In the case of my constituent, the coroner expressly found that

> "it would appear that the hospital had a system and policies in place to protect and supervise Kirsty from harm but at all material times those caring for her did not follow those policies."

That is just not acceptable.

The Minister will remember the long sessions earlier this year discussing the Health and Social Care Bill in Committee Room 10 upstairs—how could we forget them? One of the recurring themes was not just that we all want to see high-quality services but how we ensure our health and social care services are of high quality and that everyone is focused on the primary objectives of the health system. Do we do so through inspections? Do we hope that everyone working within the health system works to their own high standards, as many thousands of employees surely do? Do we ensure that guidance is not only available but followed? And do we ensure that when things go wrong, as in the case of my constituent, thorough investigations follow and lessons are learned? Surely it must be a combination of all those things.

As I mentioned, hospital wards are meant to be places of therapy, but too often, especially in the case of mental health wards, they are anything but. In a recent report, the Centre for Social Justice said:

> "Hospitals tend to be untherapeutic and dangerous places".

In helping me to prepare for this debate, Mind sent me a note saying:

> "The quality of care quite clearly has an impact on a patient's decision to abscond. Unfortunately, as Mind's forthcoming acute and crisis care campaign will show, people in inpatient settings often experience substandard quality, with no meaningful activities, little or no interaction with staff or each other, and at worst, lack of safety, abuse and coercive treatment."

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): Does my hon. Friend agree that one problem—she has done well in bringing this debate before us this evening—is the fact that people often become labelled when they are in a mental health care setting, whereas what we need to do if we are to deal with the issue properly is to break down and challenge those labels, so that the patient is not seen just as a mental health patient but as a person? All the therapies and preventive measures she is talking about relate to that issue. If we can get that right, we will be able to look at people and treat them in the way that they deserve—with respect, which will help to prevent the episodes of absconding or escape that my hon. Friend mentions.

Nicky Morgan: I entirely agree with my hon. Friend, who is a qualified NHS practitioner and knows far more about these matters than I do. Everything that he has said confirms the fact that we must not forget that people are at the heart of all cases of this kind—not just patients, but their families. The sooner patients receive good therapeutic treatments and can resume their place in society, the better. My hon. Friend made another important point: for too long a stigma has been attached to mental ill-health conditions, and people do not talk about them. I hope that tonight's debate will mark the beginning of more open discussion of such conditions, in the House and beyond.

Kirsty's father told me that he believed that there was nothing to do at the unit where she was being treated. He said that there were no constructive therapies.

Rethink Mental Illness and the Royal College of Psychiatrists drew my attention to a 2010 report that had been prepared as part of the National Confidential Inquiry into Suicide and Homicide by People with Mental Illness. According to the report, between 1997 and 2006 absconders accounted for 25% of all in-patient suicides and 38% of suicides that occurred off the wards. Absconding patients were also significantly more likely to have been under high levels of observation, but clinicians reported more problems in the observation of those who had absconded owing to ward design or other patients in the ward. The report made three recommendations for improvement: that staff need to pay better attention, not just to patients but to ward exits; that observation methods should improve, as there was little evidence regarding the protective effect of close observation, and high levels of observation may be ineffective for people who are intent on leaving the ward; and that there should be an increased focus on engagement and support by staff when patients are admitted.

However, as Mind pointed out to me, there is evidence that when wards take a more innovative approach to in-patient care, there are fewer incidences of both aggression and absconding. There is already an incentive for our mental health trusts to do better in terms of the treatment and care that they offer to in-patients.

Let me end by drawing all those thoughts together. First, we need more research in order to understand the scale of the problem. The information that I have obtained is, I hope, a good start, but I think that the Department could insist that trusts use one set of definitions so that numbers can be properly compared, and that trusts with low incidences of absconding could share their experiences with those whose absconding rate is very much higher. The Department could also insist on publication of the information that I had to obtain under the Freedom of Information Act.

Secondly, trusts should not only follow existing guidance, but work out how they do their best to prevent patients, when they are at their most vulnerable, from absconding

[Nicky Morgan]

and causing harm to themselves. My office did not have to look very far to find seven newspaper reports about patients who had absconded this year. Six of those cases tragically ended with the patients taking their own lives, and in one case the patient killed someone else. I believe that only by encouraging trusts to take those steps will the Department stand a chance of fulfilling the fifth objective in its laudable mental health strategy.

Finally, I should like us all to remember that at the heart of this are usually very ill people and their families. Mr Brookes said to me in July this year, "We trusted the system. We paid our taxes, and we expected the best care for those who are at their most vulnerable."

We talk a lot in the House of Commons about physical health outcomes, but the time has come for mental health to get a proper look in. As someone speaking at one of the all-party meetings on mental health said, "We all have mental health; it is just that some people's is better than that of others."

We are talking about people, so there are no absolutes, and there will always be those who are determined to take their own lives, but I hope that tonight, by focusing on one part of the mental health system—the security of patients being treated in hospital settings—the House can begin to make clear its desire to see real parity between physical and mental health conditions in the context of funding and treatment. I believe that if we do not do that, we will be storing up huge trouble for the country, and there will be more tragic deaths of patients like Kirsty which could perhaps be prevented.

10.23 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate my hon. Friend the Member for Loughborough (Nicky Morgan) on securing the debate, and on the thoughtful way in which she set out her case. Let me begin my speech where she ended hers. The coalition Government are totally committed to securing parity of esteem between mental and physical health. Quite simply, that is the right thing to do, and it is long overdue. We are determined for it to happen as part of the strategy that we are currently delivering and the changes currently taking place.

I am well aware of the tragic incident to which the hon. Lady referred, and which was undoubtedly the spur for the debate. I also thank her for sharing the coroner's report with me. I am keenly aware of the fact that the trust involved in this sad case fully accepts the coroner's verdict and has undertaken an overhaul of its patient security arrangements. It is important for public confidence in the system that lessons are learned and actions are taken to improve patient safety and service quality.

The coalition Government are committed to patient safety. It is a high priority in our strategies and in the outcomes on which we are judging the NHS. Our cross-Government mental health strategy, "No health without mental health", includes two core objectives to which I wish to draw attention: ensuring that people who are acutely ill receive safe, high-quality care in an appropriate environment, and thereby ensuring that fewer people suffer avoidable harm. The NHS outcomes framework also prioritises patient safety and emphasises treating and caring for people in a safe environment and protecting them from avoidable harm.

My hon. Friend rightly referred to the invaluable work done by the national confidential inquiry into suicide and homicide by people with mental illness. Although the suicides rates in England have been at a historical low and are much lower than those of most of our European neighbours, the most recent figures, dating back to 2009, show that there are still about 4,400 suicides in England; that is one suicide every two hours.

Over the past decade, good progress has been made in reducing the suicide rate in England. However, there has been a slight rise in the last couple of years. It is therefore important that we maintain vigilance. We know from experience that suicide rates can be volatile as new risks emerge. That is why we recently completed a national consultation on our suicide prevention strategy. We are considering the responses received, and intend to publish the final strategy next year.

The draft strategy aimed to set out a broad and coherent approach to suicide prevention and to helping us sustain, and reduce further, the relatively low rates of suicide in England. In particular, it sets out to reduce the suicide rate in the general population and to provide better support and information to those bereaved or otherwise affected by a suicide.

Substantial improvements have already been made in in-patient services. The most recent national confidential inquiry into suicide and homicide was published in July 2011. It shows that the long-term downward trend in in-patient suicides continues. In 1997 there were 214 in-patient suicides, falling to 94 by 2008. That is still 94 too many, so there is still more to be done.

I applaud my hon. Friend on her initiative in gathering the statistics she has presented to the House. However, she is right to sound a note of caution about how the figures might be interpreted, and what they reveal to us. For example, information about the length of time for which patients are missing or the level of risk that they pose either to themselves or to other people is relevant to gauging the true scale of the problem on which she seeks to persuade the Government to take action.

There are a wide variety of reasons for recorded unauthorised absences. These include situations that pose minimum risk to the patient or the public, such as a delay in return to hospital from authorised leave because of a missed or delayed bus. We could be talking about a delay of no more than a couple of hours before some patients return safely to their unit. However, that return has to be recorded, even if it is for just a matter of a couple of hours.

Recent statistics from the confidential inquiry show that between 2004 and 2008 the number of suicides per year by patients who have absconded from mental health services has dropped by more than 50%, from 50 cases to 21 cases per year. That is a substantial improvement, but it is still 21 cases too many.

That is why we are not complacent. We know that a significant number of suicides still occur during a period of in-patient care in spite of the improvements. Managing risk effectively is therefore essential, and the confidential inquiry collects and analyses the detailed clinical information on all suicides and homicides committed by someone with mental illness, and more latterly also on sudden and unexplained deaths of psychiatric in-patients. It also makes recommendations for improvements, which goes to the heart of my hon. Friend's representations tonight. Its December 2006 report sets out some compelling statistics—for example, that 27% of in-patient suicides occurred after the patient left the ward without permission. Those deaths were clustered in the first seven days after an admission.

In mental health services, respect for the patient's wishes must at all times be balanced with the concern for the individual's safety and well-being. There is no doubt that that balancing act can, and does at times, present significant challenges for services. However, the solution to the problem does not have to be heavy-handed or coercive in its approach. A significant body of research, guidance and best practice has demonstrated practical strategies that can be implemented and can help to reduce significantly the number of people going missing. Such strategies include: early assessment; ensuring that staff begin to form a meaningful, therapeutic and collaborative relationship with patients straight away; understanding the factors that trigger a decision to leave the ward, such as a disturbed environment or an incident affecting the patient; recognising that patients will have social responsibilities such as paying bills or ensuring that their property is secure—staff need to identify these issues early to prevent anxiety and stress that may lead to the patient choosing to leave—and making greater use of technology, such as CCTV or swipe cards, to observe and control ward entry and exit.

Key to the successful delivery of those approaches will be the ongoing development of an acute specialist work force with the right skills and attitudes, and a culture of inquiry and service improvement based on evidence and regular service user and carer feedback. The law is clear in the obligations it places on services. The Mental Health Act 1983, to which my hon. Friend referred, sets out the legal provisions relating to keeping patients in legal custody and bringing them back if they abscond. The Mental Health Act code of practice is equally explicit in the guidance it gives to services about the systems and processes that should be in place to safeguard detained patients. Hospital managers should ensure that there is a clear written policy about the action to be taken when a detained patient, or a patient on a supervised community treatment order, goes missing. These policies should, in turn, be agreed with other agencies, such as the police and ambulance services, which have significant roles to play in safeguarding patients who are absent without leave.

Just last year, it was confirmed for the first time that the detaining authorities would be required by statutory regulation to notify the Care Quality Commission, without delay, of any absence without leave of any person detained or liable to be detained under the Mental Health Act. A failure to take adequate measures to keep a detained patient safe from fatal harm is potentially a breach of article 2 of the European convention on human rights. The CQC asks services that are designated as low, medium or high security, and psychiatric intensive care units, to notify it of all incidences of absence without leave. There are different reporting requirements depending on the security level of the service. I can tell my hon. Friend and others who are listening to this evening's debate that the CQC will be reporting its first round of these statistics next month. The CQC monitors trends in absence without leave and has followed up with the particular providers in relation to specific incidents or patterns of absences. The CQC recommends that providers monitor and review absences without leave to understand why patients go absent and to help develop strategies to address these identified issues.

My hon. Friend identified concerns about what she described as the variation that she encountered in the definitions that appeared to be being used by different trusts when she undertook her freedom of information requests. I can, however, assure her that the definitions of "escape", "attempted escape", "abscond", "failure to return" and "absent without leave" are applied consistently in mental health services. Indeed, most of those definitions relate to the three-part description that she listed. I suspect that the differences in the returns she received are due to the mixture in the type and size of mental health services within one trust, and therefore the mixture of type and number of absences reported. For instance, a trust may include a high-secure hospital, two medium-secure units and also low-secure and non-secure mental health services. The numbers from that trust may give us no understanding of the type of risk of the absences recorded. That is why my hon. Friend is right to say that we need good data collection in this area, and that is why we have asked the CQC to collect those data in such a way that we can meaningfully segment them to understand what is going on. I shall write to her about the statistics that she has collected.

The Government believe that people with acute mental health needs have a right to receive the care and support they need in a safe and comfortable environment in which they are treated with the dignity and respect they deserve. As my hon. Friend has said, there is a cross-Government mental health programme in place to drive whole system and cultural change in mental health services. However, this cannot and should not be seen as solely the Government's responsibility. The essential building blocks are in place but, as always, the responsibility for the quality and safety of front-line care crucially depends on three things. First, providers have a duty of care to each individual for whom they are responsible—ensuring that services meet individual needs and that there are systems in place to make sure that services are effective, efficient and deliver high-quality care. Secondly, the regulator is responsible for assuring the quality of the system itself. Thirdly, the commissioners are responsible for securing the care that meets people's needs.

My hon. Friend was absolutely right to bring this important debate before the House, and she was also right to point out that we often debate issues of physical health in the House but rarely debate mental health issues except in extremis. I assure her that the Government are determined to invest in mental health services to ensure that more therapies and therapeutic services are available. Indeed, that is why we are investing in talking therapy services. It is important that with mental health we look at the whole-life course, intervene earlier to provide more preventive services, and invest in services that deliver dignified outcomes. I am grateful to my hon. Friend for securing the debate and allowing us to shed some light on those important issues.

Question put and agreed to.

10.36 pm

House adjourned.

House of Commons

Tuesday 8 November 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES BILL [*LORDS*]

Consideration of Bill, as amended, opposed and deferred until Tuesday 15 November (Standing Order No. 20).

LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON (NO. 2) BILL [*LORDS*] (*BY ORDER*)

TRANSPORT FOR LONDON (SUPPLEMENTAL TOLL PROVISIONS) BILL [*LORDS*] (*BY ORDER*)

Second Readings opposed and deferred until Tuesday 15 November (Standing Order No. 20).

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Legal Aid (Social Welfare)

1. **Julie Elliott** (Sunderland Central) (Lab): What assessment his Department has made of the potential effects on other Government Departments of his planned reductions to legal aid for social welfare law. [78951]

4. **Graeme Morrice** (Livingston) (Lab): What assessment his Department has made of the potential effects on other Government Departments of his planned reductions to legal aid for social welfare law. [78955]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): The impact assessment published alongside the Government's response to consultation lays out the best estimates of the costs and benefits of the legal aid reforms. Ultimately, costs to other Departments will be driven by behavioural responses to the changes, and these are very difficult to predict with any real accuracy.

Julie Elliott: I thank the Secretary of State for that answer. Is it his Government's view that it is acceptable for a whole swathe of the population to have no access to justice in the area of social welfare law?

Mr Clarke: We are not denying access to justice for anybody, but obviously a huge swathe of the population find it expensive to obtain justice and we have to ask ourselves for which people the taxpayer should pay for access to justice. We have concentrated on the most important issues, in which there is a general public interest in having people represented. It is wrong to represent changes in the way we pay lawyers and the amount that we pay as if we are somehow barring people from access to their legal rights.

Graeme Morrice: Does the Lord Chancellor not feel that the cut in the civil legal aid budget, which will clearly have a detrimental impact on the citizens advice bureau and law centre network, will hinder the notion of the big society?

Mr Clarke: Legal aid is not the principal source of public funding support for citizens advice bureaux, and legal aid changes will not take effect until 2013. Those and other voluntary bodies are taking a big hit from the reduction of local authority and other grants. For that reason, the Department for Business, Innovation and Skills has already announced £27 million of continued funding for citizens advice bureaux, and we have set up a transitional fund for the voluntary sector to manage the transition to a tighter funding environment. We have £20 million set aside this year to support voluntary bodies through their present difficulties, which are mainly because of local government cuts.

Sarah Newton (Truro and Falmouth) (Con): I very much welcome the Government's commitment to the extra funding for welfare and benefits advice, but will my right hon. and learned Friend update us on what progress he has made with the Cabinet Office about the allocation of those funds?

Mr Clarke: My hon. Friend has rightly been chasing me on this subject, and with her I have approached the Cabinet Office. My right hon. Friend the Minister of State, Cabinet Office, hopes to make an announcement shortly about the distribution of the money. As the sort of people we are talking about need the general advice offered by such voluntary bodies, I very much hope that he will soon make an announcement on behalf of the Government.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Is it not clear that what most people will need with these changes is well-supported advice services, a user-friendly tribunal system, and Government Departments that give people what they are entitled to in the first place?

Mr Clarke: Yes, I entirely agree. That is what I hope we can deliver. The number of mistakes made by bodies that distribute funds, which result in appeals to tribunal, is obviously far too high.

Mr Andy Slaughter (Hammersmith) (Lab): Last week the Secretary of State confirmed that he was taking legal aid away from brain-damaged children and disabled people unlawfully denied benefits. In answer to questions from my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith), the Minister with responsibility for legal aid, the hon. Member for Huntingdon (Mr Djanogly), admitted that the Department of Health pays up to £183 an hour for legal advice, Work and Pensions pays £201 an hour and Communities and Local Government pays £288 an hour. Some of those well-paid Government lawyers will be up against our unrepresented constituents, especially on appeal. Does the right hon. and learned Gentleman think that that is fair?

Mr Clarke: Most of those do not get legal aid now, and most personal injury cases are not brought using legal aid. They are brought using no win, no fee arrangements. As the hon. Gentleman knows, in the new proposals for how no win, no fee ought to work, we have made special arrangements for particularly difficult cases and the insurance of the costs of medical reports.

Young Offender Institutions

2. **Greg Mulholland** (Leeds North West) (LD): What steps he is taking to ensure the provision of adequate legal advice in young offender institutions. [78952]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): The training requirement to carry out the Prison Service order requiring legal services officers to be available in every prison, including young offender institutions, could not be delivered. In future, governors will be required to give prisoners information on how to access legal advice as part of their induction into custody. The Prison Service order will be promulgated before the end of the year. Juvenile offender institutions have discrete advocacy services available for prisoners under 18 years old.

Greg Mulholland: I thank the Minister for that answer. Last year a study of 25 young offender institutions and 300 requests for legal help from young people showed that 80% of those struggling to access legal advice were from a black and ethnic minority background, and 9% were female, which is disproportionate when compared with the general population. What plan do the Government have to tackle that?

Mr Blunt: I am grateful to my hon. Friend for bringing that to my attention. We will examine the new arrangements for induction into custody and the advocacy services available to make sure that any suggested discrimination that is happening will not be allowed to recur.

Keith Vaz (Leicester East) (Lab): Will the Minister agree to meet me and other interested groups to discuss the issue? The only way to combat the high level of discrimination is to be able to discuss it with those concerned.

Mr Blunt: Of course.

Freedom of Information

3. **Simon Wright** (Norwich South) (LD): What plans he has to increase the scope of the Freedom of Information Act 2000. [78954]

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): This month we extended the Freedom of Information Act to a further three bodies—the Association of Chief Police Officers, the Financial Ombudsman Service and UCAS. Additionally, we intend to extend the Act to over 100 more organisations through the Protection of Freedoms Bill. We have also begun consultations with more than 200 further bodies about their possible inclusion. Next year we plan to consult 2,000 housing associations and the housing ombudsman.

Simon Wright: I thank the Minister for his response and for the progress made by his Department. As he knows, Network Rail is responsible for spending billions of pounds of public money each year. Will he ensure that that organisation is brought within the scope of the Freedom of Information Act?

Mr Djanogly: The Government are committed to making Network Rail more accountable to its customers, and believe that there is a strong case for its inclusion in the FOI.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): Community organisations often have a great deal of trouble getting information out of local councils via the Freedom of Information Act. What plans does the Minister have to make the Act as currently drawn, with the organisations currently included, work better?

Mr Djanogly: If the hon. Lady has problems to be addressed, she should write to the Ministry of Justice and we will take them up.

Victim Support

5. **Sajid Javid** (Bromsgrove) (Con): What steps his Department is taking to provide support for victims; and if he will make a statement. [78956]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): In the current financial year the Ministry of Justice is providing funding of approximately £50 million to voluntary sector organisations that support victims of crime. Before Christmas we intend to launch a consultation on proposals that will ensure that victims of crime are supported in the best way possible.

Sajid Javid: Too many victims of crime in my constituency feel that their rights are put behind those of criminals. Will my right hon. and learned Friend please share with me what measures he proposes to take to correct that sense of injustice?

Mr Clarke: Apart from continuing to give support to victims organisations, as I said, we are about to implement the Prisoners Earnings Act 1996, which will see up to £1 million taken from prisoners' wages going into victims' services. We have given Victim Support its three-year grant for the first time. It has never had such assured support—£38 million a year. We have honoured our coalition commitment to place rape support centres on a secure financial footing, giving them long-term funding, and we are about to open four more.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): Does the Secretary of State agree that the most important thing for victims is the prevention of further offences and reoffending, since what victims want is to know that they are not going to become a victim a further time after a bad experience?

Mr Clarke: I entirely agree with that. It is a point on which we are putting very heavy emphasis in all our policies on crime, punishment and rehabilitation.

Tom Brake (Carshalton and Wallington) (LD): Does the Secretary of State agree that restorative justice can be key in helping victims, both in their hearing an apology from the offender, and in some cases hearing an explanation as to why the crime was committed?

Mr Clarke: Again, I agree entirely. We find that of the victims who agree to take part—they must agree to take part—about 85% express satisfaction with the process. It gives victims some feeling that someone has apologised and that they are getting some redress.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): Can the Lord Chancellor imagine a more needy victim than a child brain-damaged at birth whose parents are unable to sue for its financial security?

Mr Clarke: It is not true that they are unable to sue. We have a dispute about how much the lawyers should be paid in the event of a successful claim, which is an important matter, but I do not accept the assertion that none of these actions will be brought unless we leave the present no win, no fee arrangements completely untouched.

Robert Flello (Stoke-on-Trent South) (Lab): On 12 October the Prime Minister announced that he had appointed Louise Casey to a new job. The Secretary of State has had at least a month to arrange for a new victims commissioner to take up his or her role. A month on, not only is no one in post, but the position has not been advertised and the Government have not said what plans they have. Victims charities and organisations and the Opposition have urged the Government to move swiftly, so who is it to be? Sadly, we have seen empty words on victims' rights, and in this case we also have an empty post.

Mr Clarke: I am extremely grateful to Louise Casey for the work she did and the discussions I had with her while she was in office. I find the hon. Gentleman's question amazing. The post of victims commissioner was created by Act of Parliament in 2004, but the previous Government failed to appoint anyone for five years and a fresh statute was introduced to revise the post in 2009. Louise Casey was appointed in early 2010. We are reconsidering—again—the basis on which we make the appointment, but to be accused of tardiness by someone who was in the last Parliament is positively farcical.

Reoffending

6. **Guy Opperman** (Hexham) (Con): What assessment he has made of the causes of reoffending. [R] [78957]

The Minister for Policing and Criminal Justice (Nick Herbert): Based on a survey of nearly 1,500 adult prisoners, we found a number of factors associated with reoffending on release: negative childhood experiences; poor educational backgrounds; low employment prospects; and poor health prospects, including drug usage. Research has also shown that criminal history, age and gender are strong predictors of future reoffending.

Guy Opperman: I thank the Minister for that answer. Almost half of all serving prisoners have very basic literacy and numeracy skills. What steps is he taking to transform the literacy training that offenders receive in prison?

Nick Herbert: I agree with my hon. Friend about the problem. The majority of prisoners do not have the necessary reading and writing skills to do most jobs in the labour market on release. That is why assessing literacy and numeracy skills is a priority in prisons and why those with a need are offered classroom-based courses and individualised support, but there is also a role for the third sector, with organisations such as Toe By Toe providing mentoring for prisoners and by prisoners to help them learn reading skills.

Jim Shannon (Strangford) (DUP): The Minister has not mentioned young people, and high numbers of them continue to reoffend. What strategy is in place to give them guidance and support so that they do not reoffend when they come out of prison or young offenders institutions?

Nick Herbert: I agree with the hon. Gentleman that reoffending rates by younger people are particularly high and that that is where we need to focus attention. The guidance he mentions is particularly effective when it comes in the form of mentoring, which can be provided by third sector organisations, and we have seen some very effective examples of that. It is a question not only of statutory supervision and support, but of what others can bring.

Steve Brine (Winchester) (Con): May I urge the Minister to take an even closer look at the voluntary sector's work in that area, especially the charity KeepOut, which I have recently become aware of? It is a crime diversion scheme delivered by teams of serving prisoners that aims to steer young people away from the conveyor belt to a criminal life and represents a positive step for many prisoners on their rehabilitation journey.

Nick Herbert: I am grateful to my hon. Friend for drawing attention to the work of organisations such as KeepOut that provide exactly the type of mentoring service I was talking about, helping those who are or have been prisoners to dissuade young offenders from pursuing a life of crime.

Mrs Jenny Chapman (Darlington) (Lab): I have listened to the Minister's answers. We were promised a rehabilitation revolution, but unfortunately the chief inspector of prisons can find no evidence of it. In the interests of looking at outcomes, can the Minister let us know when we can expect to see this decline in reoffending and by exactly how much it will decline?

Nick Herbert: I think that the whole House agrees that reoffending rates are too high. They have been persistently high, and we need to tackle that issue. That is why the rehabilitation revolution is important, and I am sorry that the hon. Lady does not appear to support it. We have particular proposals on payment by results, and we are now seeing them extended throughout public sector and private sector prisons, where we will ensure that we pay for what works and incentivise providers to reduce reoffending. We are determined to reduce reoffending by using innovative means, not the familiar means that Labour always proposes, which involve simply spending more public money.

Prison Population

8. **Nick Smith** (Blaenau Gwent) (Lab): What estimate his Department has made of the future size of the prison population. [78959]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): The latest projections of the prison population in England and Wales, published last week, modelled three scenarios. These track, as is the usual practice, the impact of three different sentencing trends on custodial convictions. By the end of June 2017, the prison population is projected to be 83,100 on the lower projection, 88,900 on the medium projection and 94,800 on the higher projection.

Nick Smith: The prison population is at a record high, and some 60% of the prison population have speech, language and communication needs. How will the Justice Secretary address communication disability as part of his rehabilitation revolution?

Mr Clarke: I am sorry, but I missed the second point. Is the point of the question communication disability? *[Interruption.]* Prison projections are very difficult to make, and that is why we have the equivalent of the fan-shaped projections that the Bank of England produces on inflation forecasts. It has always been the same with prison forecasts.

The future prison population will depend on all kinds of things beyond the control of the Government, but the prison estate is well placed to meet the demand. Eventually it will all depend on whether we have long and protracted youth unemployment, how far the recession has retracted, and how successful we are with our rehabilitation revolution, workplace reform, skills training, education reform and so on. The Prison Service is there to meet the demand, but we expect the demand to be reasonably stable.

Gavin Williamson (South Staffordshire) (Con): I am sure that my right hon. and learned Friend is aware of the importance of the construction of the Featherstone 2 prison, which is currently being built in my constituency, but can he assure the House that he will do all he can to encourage G4S, the operator, to employ people locally, so that we have not just the disadvantages of a prison being built, but some of the advantages?

Mr Clarke: Featherstone 2 is one of two new prisons that we have coming on stream in 2012, and I am sure that it will provide a very valuable source of local employment when it opens, as it is quite a large prison. It will also, of course, contribute to our battle against crime and to the need to punish serious criminals.

Sadiq Khan (Tooting) (Lab): I know the Justice Secretary does not like being reminded of this, and that is clearly why I am going to do so. He had a target to reduce the prison population by 3,000 by 2015, and, as my hon. Friend the Member for Blaenau Gwent (Nick Smith) helped to remind the House, it is now 87,747, which is about 3,000 more than when the right hon. and learned Gentleman became Justice Secretary. As a consequence of this Government's policies, which projection does he believe will be the case? Will the prison population in May 2015 be the same, more or less than it was in May 2010?

Mr Clarke: It is simply not the case that I have ever had a target for prisons, because as I have just explained it is not within the control of Ministers. That is why Ministers in the previous Government used to produce these various scenarios. I do not have a target. We make an estimate of the effect that legislative changes will have on the future prison population, and as the right hon. Gentleman knows, the Legal Aid, Sentencing and Punishment of Offenders Bill that the House has just passed will, other things being equal, which they never are, reduce the prison population by about 2,600.

Sadiq Khan: We have a complacent Justice Secretary who, one third of the way through this Parliament, has no idea whether the prison population will go up, down or stay the same. He has cut our prison building programme, cut capital investment in prisons, he is cutting probation officers and cutting prison officer numbers. Is he surprised that the chief inspector of prisons has seen no evidence of a rehabilitation revolution and thinks that there should be a rocket up this Justice Secretary's backside?

Mr Clarke: The future level of crime depends on a huge number of variables, which are not within the control of any Government or Minister. What one does is to make sure that one does not exacerbate any problems, and that one accommodates those who come in. I am trying to establish in prisons a more intelligent regime that will achieve some improvements in reoffending rates for those who have to be punished by going to prison. If any of my predecessors ever gave an exact forecast of the prison population, two or three out, that predecessor was in my opinion an idiot. I do remember, however, that the previous Government so miscalculated things that they had to let 80,000 people out of prison, short of their sentence, because prisons were bulging at the seams and they had nowhere to accommodate them.

Reoffending

9. **Mrs Helen Grant** (Maidstone and The Weald) (Con): What steps he is taking to reduce the level of reoffending by people sentenced to one year or less. [78960]

The Minister for Policing and Criminal Justice (Nick Herbert): We are supporting local areas to develop integrated approaches to managing offenders and testing payment-by-results arrangements for providers working with short-sentenced prisoners.

Mrs Grant: Around 4,000 women are in British prisons, most of whom are serving short-term sentences. Does the Minister agree that community women offender projects can provide a very real alternative to custody?

Nick Herbert: I suspect there is a consensus across the House about that issue. It is worth reflecting on the fact that, 15 years ago, there were only 1,800 women in prison. The Prison Reform Trust has pointed out that:

> "During one year more than 11,000 women are imprisoned and almost 18,000 children are separated from their mothers."

Some women need to go to prison, and it is important that custody remains available. However, we are focusing on developing suitable, intensive community sentences that can prevent such a flow into the custodial system wherever possible.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Minister aware that stalking is a pernicious crime that often attracts short sentences? Those sentences are no good at all if the quality of the treatment for stalking is not up to a good standard; those people are free to go back and stalk usually the very women they were stalking before.

Nick Herbert: That is an example of the fact that prison plainly plays an important role in relation to both punishing and incapacitating offenders. It must also play a role in the rehabilitation of offenders. The system has too often failed in that third role, including for the most serious crimes.

Mr Philip Hollobone (Kettering) (Con): The way to stop foreign national prisoners who serve a sentence of a year or less from reoffending is to return them from whence they came to their country of origin. Will my right hon. Friend assure the House that that is being done on each and every occasion?

Nick Herbert: I know my hon. Friend's long-standing interest in that issue. It is absolutely right that those prisoners who have served a prison sentence should expect to be returned to their country of origin. We are returning more than 5,000 a year, and we will continue to make every effort to do so.

Kevin Brennan (Cardiff West) (Lab): The hon. Member for Maidstone and The Weald (Mrs Grant) is right about women prisoners. Under the previous Government, an inter-ministerial group was set up to try to implement the recommendations of the Corston report. Will the Minister describe what efforts he is making to maintain that work in Government?

Nick Herbert: We do seek to maintain it. The focus must be on developing suitable community sentences that can satisfy the courts, address the causes of reoffending and also be sufficiently punitive. It is important that the public have confidence in such sentences, so that we can ensure there is a satisfactory alternative for women who do not need to be sent to prison. The absence of satisfactory alternatives in the past has been part of the problem.

Probation Officers

10. **Stephen Barclay** (North East Cambridgeshire) (Con): What steps he is taking to increase the amount of time probation officers spend with offenders. [78961]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): We have already taken steps such as reducing the number of targets and revising national standards to increase the time spent face to face with offenders. The Ministry is taking forward the offender engagement programme of work further to cut red tape and give probation officers back their professional discretion.

Stephen Barclay: In July, the Justice Committee found that, under the previous Government, just 25% of probation service staff time was spent with offenders. I welcome the fact that, in Cambridgeshire, that figure has improved to more than 60%, but I urge the Government to take further steps, given that that has a crucial role in tackling reoffending.

Mr Blunt: I am delighted to hear of that excellent performance in Cambridgeshire. That is evidence of the good practice now flowing from freeing probation officers from the highly prescriptive target setting and performance management that led to that 24% figure. That is what happens when 60 pages of national standards are reduced to three, and professionals are supported with decent guidance and allowed to get on with doing the job to the best of their ability in the public interest.

Paul Goggins (Wythenshawe and Sale East) (Lab): Ministers have already acknowledged that probation officers will have to spend more time monitoring dangerous offenders on licence in the community as a result of introducing the new extended determinate sentence. What estimates has the Minister made of the additional costs of this extra supervision?

Mr Blunt: It will be some time before prisoners are being released from the sentence framework that we have just introduced, because those sentences apply to people who receive sentences of more than six years' imprisonment, and the extended sentences will be many years ahead, so we have not yet done a detailed assessment.

Knife Crime

11. **Andrew Griffiths** (Burton) (Con): What steps he is taking to increase prison tariffs for people sentenced for carrying knives. [78962]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): Sentencing guidelines provide that the starting point for an adult convicted of knife possession is a custodial sentence. Where immediate custody is given, the average sentence length increased between June 2010 and June 2011. We are creating new offences so that those who carry a knife in a public place or school, and go on to threaten and cause immediate risk of serious physical harm to another, can expect to face at least a minimum custodial sentence.

Andrew Griffiths: Constituents in Burton will applaud the statements just made about sentences for the type of crime that is covered today on the front page of the *Burton Mail*, in which a young man was frogmarched to a cash point and forced to hand over money at knifepoint. They want to see that kind of tough sentencing as a deterrent. Will the Secretary of State back the *Burton Mail* campaign to make Burton a knife-free zone and to prevent these kinds of activities happening again?

Mr Clarke: If the newspaper report is accurate, then whoever carried out that crime committed quite a number of criminal offences, most of which carry very serious penalties, so I hope that the local courts deal with it with appropriate seriousness, having obviously considered all the circumstances. We are sending out, we hope, a strong message that we will not tolerate the use of knives. Threatening with a knife and putting someone in fear of injury is a very serious matter. I wish my hon. Friend every success in working with his constituents to try to reduce the scourge of knife crime in Burton.

Indeterminate Sentences

12. **Steve McCabe** (Birmingham, Selly Oak) (Lab): What steps his Department is taking in respect of prisoners serving indeterminate sentences who have completed their minimum tariff. [78963]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): Tariff-expired indeterminate sentence prisoners will be released from custody only if the independent Parole Board is satisfied that they may be safely managed in the community. We are seeking to identify further improvements to the progression of those prisoners through effective sentence planning, which will require the engagement of the offenders themselves.

Steve McCabe: As I understand it, under the Lord Chancellor's proposals a judge will be required to hand down a mandatory life sentence the second time someone is convicted of using a nuclear weapon. Allowing for all the Lord Chancellor's wisdom and guile, would it not be an awful lot smarter to hold someone indefinitely the first time they committed that offence?

Mr Clarke: Certainly, the Government take a serious view of the use of a nuclear weapon; I hope that not too much of that breaks out in the hon. Gentleman's constituency. We discussed these proposals in the House only last week, and we achieved the House's approval for them. There is an indeterminate sentence called a life sentence, which is the best and most established form of indeterminate sentence. Having got rid of the failed indeterminate sentences for public protection, we expect that quite a lot of people will get life sentences who hitherto would have been given the rather unsatisfactory IPPs.

Jeremy Corbyn (Islington North) (Lab): Will the Secretary of State consider the problem of pre-release of prisoners where insufficient preparation is made for training or, particularly, for somewhere to live or some kind of community support? That means, in turn, that they either stay longer in prison or are released into the community, where they are inadequately supervised and end up back in a whole regime of crime.

Mr Clarke: We are looking at that problem very seriously, and we hope to produce a substantial improvement on the present situation. In particular, I am working with colleagues in the Department for Work and Pensions to try to ensure that offenders leaving prison can have instant access to the work programmes that we are developing for other people seeking work. Enabling people to get back into employment is one of the best ways of improving the chances that they will not offend again.

Payment by Results

13. **Mr Mark Spencer** (Sherwood) (Con): What assessment he has made of the effects on reoffending rates of his policy of payment by results to companies. [78964]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): The first results against which payment will be made in the two pilots at Her Majesty's prisons Peterborough and Doncaster will be available in 2014. I am visiting Peterborough prison on Friday to make my initial assessment of the ONE service. I will look in particular at the methodology and evidence from case studies as it is too early for statistical data to be available.

Mr Spencer: The Minister may be aware of a case close to my constituency in which a paedophile was allowed out from a secure health unit on unescorted day release, only to commit a crime against a 10-year-old constituent of mine. I support the Minister's plans to make improvements when these companies get things correct, but what plans does he have to deal with such companies when they get it wrong?

Mr Blunt: As my hon. Friend has made clear, that case involved a patient who was detained under mental health legislation, under which unescorted leave requires the approval of the Secretary of State, a risk assessment and a recommendation from a responsible clinician. There are no proposals for companies to make such decisions.

Gavin Shuker (Luton South) (Lab/Co-op): The Minister talks about payment by results for companies. It is clear that in his review of probation and payment by results next year, there is significant uncertainty about the role of smaller probation trusts. Bedfordshire probation trust is one of the smallest but best performing trusts. Can he give an assurance that its role will be upheld in any subsequent review?

Mr Blunt: The hon. Gentleman needs to understand that we are piloting payment by results in six ways in 20 different pilots to see what is the most effective way of delivering it. It might be by putting the responsibility on probation trusts, prisons, local authorities or chiefs of police. We are looking at all those things and will see what is the most effective way to take payment by results forward in the interests of us all.

Rehabilitation

14. **Mr James Clappison** (Hertsmere) (Con): What progress he has made in implementing his plans for the rehabilitation of prisoners. [78966]

The Minister for Policing and Criminal Justice (Nick Herbert): We have started piloting payment-by-results models to drive what works and drug recovery wings. We are supporting the piloting and roll-out of mental health liaison and diversion services in police custody and courts. We are also developing plans to make prisons places of hard work.

Mr Clappison: Would not the task of the employment and work programmes to which my right hon. Friend has referred be improved if prisoners actually worked while in prison? Is it not the case that far too few prisoners are given the opportunity to work in prison workshops for a full working week? Would that not be of benefit to prisoners and their victims?

Nick Herbert: I strongly agree with my hon. Friend. The Government are committed to ensuring that prisons are places of work and restoration. We are focused on a programme to ensure that, wherever possible, we introduce work into prisons. There are problems with the physical estate, but we are determined to make that happen wherever we can.

Mrs Madeleine Moon (Bridgend) (Lab): Parc young offenders institution in my constituency had a report from the chief inspector of prisons recently that revealed that 60% of the 64 inmates were admitted with drug-related problems, that 25% had alcohol-related problems and that 89% had truanted from school repeatedly. What steps are we taking to ensure that rehabilitation is a real possibility in private sector prisons?

Nick Herbert: Rehabilitation is important, whether in a public or private sector prison. The movement to payment by results will ensure that providers are focused on what they need to do to reduce reoffending. Ensuring that offenders get off drugs and deal with their alcohol problems is an important part of that. That is one reason why we are piloting drug recovery wings in prisons. We will maintain our focus on those areas.

Richard Harrington (Watford) (Con): I congratulate my right hon. Friend on the work that has been done to introduce work for prisoners. However, my constituents and I are concerned that local companies that are full of honest, hard-working people may lose contracts to prisoners, who are effectively subsidised by taxpayers' money. Will he assure me that that will not be the case?

Nick Herbert: I appreciate my hon. Friend's concern. We will design the schemes in a way that ensures that that does not happen. However, we must not lose sight of the importance of ensuring that prisons are places where offenders are not simply idle, but where they are rehabilitated and introduced to the world of work and responsibility.

Fiona Mactaggart (Slough) (Lab): One factor that means that prisoners are less likely to be rehabilitated on coming out of prison is the lack of access to housing. Many prisoners are released with just a cash voucher and no chance of anywhere to live. What is the Minister doing about that scandal?

Nick Herbert: I agree with the hon. Lady that that is one of the very important factors that determine reoffending. That is why it is important that we have a concerted effort to ensure that on their release, prisoners, and particularly short-term prisoners who are not the subject of statutory supervision or support, receive the necessary support and entitlement to services. That can be done through the integrated offender management programmes that we are supporting, and also through the payment-by-results schemes that we are piloting, which the Under-Secretary of State, my hon. Friend the Member for Reigate (Mr Blunt) described.

Lay Magistrates

15. **Tony Baldry** (Banbury) (Con): When he next expects to meet the Magistrates Association to discuss the recruitment and retention of lay magistrates. [78968]

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): I do not currently have any plans to meet the Magistrates Association to discuss the recruitment and retention of magistrates.

Tony Baldry: Is my right hon. and learned Friend aware that lay magistrates are feeling a bit unloved at the moment? They feel somewhat squeezed between the police increasingly allocating non-court disposals at one end and deputy circuit judges doing rather more work at the other end, and there are court closures and bench mergers. There has been no recruitment to the Oxfordshire bench for several years now. What can he do to ensure that lay magistrates feel appreciated?

Mr Clarke: I will heed my hon. Friend's warning, but I think we probably all agree that the lay magistracy is one of the distinctive strengths of our justice system. It certainly makes a very valuable contribution, and I am glad to say that it is a popular form of volunteering. We obviously have to appoint strictly on merit, but we recruit more than 1,000 new magistrates every year and magistrates dispose of about 95% of the criminal justice work that goes through our system. I will take on board his points, and I hope that we can encourage people in Oxfordshire to carry on the essential work that they are doing for the good of the community.

Restorative Justice

16. **Mr Robert Buckland** (South Swindon) (Con): What steps he is taking to increase the use of restorative justice. [78969]

The Minister for Policing and Criminal Justice (Nick Herbert): We are committed to delivering more restorative justice across the system, ensuring that more victims have a chance to explain the impact of crime upon them and that offenders face up to the consequences. Many areas already use restorative approaches, and we are considering how we can increase capacity to enable local areas to provide more effective responses to crime and disorder.

Mr Buckland: I thank my right hon. Friend for that response. Both the youth offending team and the police in Swindon are using restorative justice procedures to very good effect, particularly in the sentencing process and as an alternative to prosecution. What specific plans does he have to support that invaluable work?

Nick Herbert: I agree with my hon. Friend about the value of that work, which can both provide enhanced victim satisfaction—victims are otherwise too often an afterthought in the process—and reduce reoffending rates. That was why the coalition agreement committed us to introducing neighbourhood resolution panels, which we intend to take forward. We have invited expressions of interest and had good interest in them, and we will set up pilots in the new year.

Kate Green (Stretford and Urmston) (Lab): What steps will the Minister take to support restorative justice programmes in prisons, such as that offered by the Prison Fellowship's "Sycamore Tree" programme?

Nick Herbert: It is important that we support restorative justice as a principle that applies across the criminal justice system, not just in any one part of it. The idea that offenders should make amends and, when victims want it, be required to confront their victims, is good, and where such schemes are successful we want to see them extended.

Corporate Manslaughter

17. **Katy Clark** (North Ayrshire and Arran) (Lab): What assessment he has made of the level of support available to families of people who have been victims of corporate manslaughter; and if he will make a statement. [78970]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): In England and Wales, victims of corporate manslaughter are eligible to receive the same support as victims of homicide from the national homicide service, which provides tailored and intensive one-to-one support to bereaved families for as long as they need it. Support for victims of crime in Scotland is a devolved matter.

Katy Clark: I am very grateful to the Minister for that answer. My constituents Dorothy and Douglas Wright recently received an apology from the Director of Public Prosecutions following the failure to take corporate manslaughter action when their son Mark died. They did not get access to such a service, and their experience is that families of those who die in such circumstances do not get such access. Will the Minister consider that issue?

Mr Blunt: Of course, this is a devolved matter for the hon. Lady's constituents in Scotland, but I am quite happy to consider the development of the whole doctrine of corporate manslaughter. It is very important that the families of those who may be corporate manslaughter victims receive the necessary support, even if a prosecution cannot be successfully secured. That means that Victim Support needs to be notified that there is a requirement of support, which is sometimes not completely clear when someone dies in circumstances that might or might not lead to an investigation or successful prosecution for corporate manslaughter. However, I am very happy to consider the matter.

Overseas Terrorism

19. **John Robertson** (Glasgow North West) (Lab): What steps his Department is taking to provide compensation for victims of overseas terrorism. [78972]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): The issue of compensation for victims of terrorism overseas is being considered alongside the Government's review of victims' services and compensation, at the conclusion of which we will publish a consultation document. We plan to make an announcement on victims of terrorism overseas at the same time as we launch the consultation, which we intend will be before Christmas.

John Robertson: Déjà vu, Mr Speaker: on 28 June, when my hon. Friend the Member for Derby North (Chris Williamson) asked a question on compensation for victims of overseas terrorism, the Minister replied:

> "In the coming weeks we intend to launch a public consultation on victims services"—[*Official Report*, 28 June 2011; Vol. 530, c. 749.]

Nineteen weeks down the road, we are still waiting for it. Will the Minister please tell me this: will he put the victims first and forget about his petty differences with the Opposition?

Mr Blunt: I can assure the hon. Gentleman that I have no petty differences with the Opposition. There are a number of difficult issues to resolve, but the delay is absolutely in the interests of victims, as we identify greater resources so that we can wrestle with the wretched situation that we inherited from the criminal injuries compensation scheme, which was £750 million in debt. We must sort those things out, and once we have done so, we will be able to come forward with a satisfactory policy for victims of crime.

Several hon. Members *rose—*

Mr Speaker: With extreme brevity, I call Mr Simon Hughes.

Simon Hughes (Bermondsey and Old Southwark) (LD): May I say to the Minister—*[Laughter.]*

Mr Speaker: Order. We must give the right hon. Gentleman a chance.

Simon Hughes: May I say to the Minister that this is an inherited matter that has now lasted for 18 months? There is an obligation on the Government to sort it out soon. Can he give a commitment that victims will get their answer before the end of this calendar year?

Mr Blunt: Yes, Mr Speaker.

Mr Speaker: Well, there was exemplary brevity on both counts.

Topical Questions

T1. [78976] **Ian Swales** (Redcar) (LD): If he will make a statement on his departmental responsibilities.

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): Yesterday, the UK took over the chairmanship of the Council of Europe. Our key priority is reform of the European Court of Human Rights, for which there is widespread support. We are pressing for consensus among all 47 member states on a package of reforms that will make the Court more effective. The Court is struggling under a growing backlog of almost 160,000 cases, which is undermining its authority. The aim will be for the Court to concentrate on the most serious issues of alleged failure to comply with the convention by a member state. The primary duty of compliance with the convention in individual cases should rest with democratic Parliaments and national courts.

Ian Swales: Teesside suffers from arguably the worst coroner service in the country, with families now waiting an average of 43 weeks for a verdict. How is the coroner service held accountable, and what can the Minister do to ensure that my constituents get the service they deserve?

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): Ultimately, coroners are independent judicial appointments, and as such, complaints must be made through the judicial appointments service. Having said that, I have been in contact with people in Teesside and I shall continue to take an interest in this matter.

Sadiq Khan (Tooting) (Lab): One cannot help but notice the good mood that the Justice Secretary is in today, which I am sure has nothing to do with the spot of bother the Home Secretary is in. May I ask him a question on a similar issue—foreign prisoners? He will be aware that in 2007, the Labour Government negotiated with the EU a prisoner transfer agreement, which comes into force next month, which will mean that no prisoner consent is required, and that the other country must comply with a request for a transfer. The Prime Minister promised the repatriation of thousands of foreign prisoners by personally taking charge of negotiations with individual countries. We all know that he likes to keep his promises, so can the Justice Secretary tell us how many new prisoner transfer agreements have been successfully negotiated with individual countries in the past 18 months, and how many foreign prisoners does he expect to be repatriated this year?

Mr Kenneth Clarke: First, I want to put the right hon. Gentleman's mind at rest: I agree with my right hon. Friend the Home Secretary in her handling of the current problems, so it is just my usual bonhomie; there is no particular cause for it today. It is true that this important transfer of prisoners agreement is about to come into force, and it will make a difference to our problem with foreign prisoners, although, of course, there are derogations to some important countries, such as Poland and Ireland, where it will not come into effect for a few years. The right hon. Gentleman hits on a serious problem, though: we need to find a way of reducing the foreign prisoner population. At the moment, we have only one international bilateral agreement near to conclusion, but we are continuing to work on it, because foreign prisoners take up more than 10% of places in our prison system.

T3. [78978] **Gordon Henderson** (Sittingbourne and Sheppey) (Con): At Swaleside prison in my constituency, the Kainos Community programme has an 87% success rate in reducing reoffending by inmates taking part in the scheme. Will my hon. Friend acknowledge this success, and extend the scheme across the prison estate?

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): I have seen the Kainos scheme in other prisons, and I am looking forward to visiting my hon. Friend's constituency to see it work at first hand. Of course, we will want to learn the lessons and apply them, so that we can begin to achieve those kinds of reoffending rates—if they are as described—on a sustainable basis.

Mr Speaker: May I encourage Ministers to face the House, so that we get the full force of their eloquence head-on?

T2. [78977] **Mr Jim Cunningham** (Coventry South) (Lab): Has the Minister done an impact assessment on the effect of the legal aid reforms on women?

Mr Djanogly: Yes, an equality impact assessment was carried out.

T5. [78980] **Rehman Chishti** (Gillingham and Rainham) (Con): According to a written question that I asked the Minister earlier this year, in 2009 the disciplinary punishment of additional days for bad behaviour in prisons was imposed on 11,550 occasions. What steps are being taken to improve discipline and behaviour in prisons?

Mr Blunt: There is a zero-tolerance policy for any violence in prison towards staff, visitors or other prisoners. In addition, one should not underestimate the importance of our proposals on work in prisons. If we can put in place a much more useful prison regime under which far more prisoners are engaged in useful work, it will aid the delivery of discipline in our prisons.

T4. [78979] **Michael Connarty** (Linlithgow and East Falkirk) (Lab): Could I ask whether the Secretary of State will identify the amount of savings he will make in his planned reductions for legal aid in social welfare law and identify the amount of knock-on cuts to the Scottish budget through the Barnett formula? Could he confirm that, if there are cuts, the Scottish Parliament does not have to follow the savage cuts in welfare law legal aid?

Mr Kenneth Clarke: We debated all this last week. We are still spending £50 million on legal aid for welfare law, even as we have revised and cut it back, and cut out areas where, frankly, legal assistance is not necessary, appropriate or justified. Our proposals affect England and Wales only, and the provision of legal aid in Scotland is not a matter for me.

T9. [78984] **Steve Baker** (Wycombe) (Con): Do the Government agree that magistrates are a vital and integral part of the justice system, and that they must be supported and encouraged to play a part in neighbourhood justice?

The Minister for Policing and Criminal Justice (Nick Herbert): Yes, we do. As we develop our proposals, including for the neighbourhood resolution panels that I described earlier, we want to consider what role magistrates may play in that. They are, as my right hon. and learned Friend said, an important lay resource, and we should think of new ways to make use of them.

T6. [78981] **Rushanara Ali** (Bethnal Green and Bow) (Lab): How does the Secretary of State plan to fill the nearly £280 million gap in social welfare law in respect of the provision of crucial advice and support on housing, debt and employment issues to some of the poorest people in our country, given that there is little to no evidence that the voluntary and charitable sectors will be able to back-fill that gap? The £20 million referred to does not seem to go far enough.

Mr Djanogly: First, it is important to appreciate that we are keeping £50 million of legal aid in social welfare law for the most urgent and vulnerable people who need it. We need to appreciate that, at the moment, legal aid is often used as a sticking plaster for matters that should properly be dealt with under general advice from citizens advice bureaux.

T10. [78985] **Mr Aidan Burley** (Cannock Chase) (Con): After the riots in the summer, courts such as Cannock magistrates court in my constituency sat late and ensured that the surge in work was dealt with smoothly and efficiently. These late-night sittings have been widely regarded as a huge success, not least by those magistrates who have full-time jobs that require them to work during office hours. What plans does the Secretary of State's Department have to roll out these evening court sittings on a permanent basis?

Mr Kenneth Clarke: The work done after the riots is a tribute to the public spiritedness of all who sat on the bench—all the court staff, probation staff, police and duty defence solicitors. There was a widespread feeling that people should do their bit to restore order, and I am glad to say that the courts rose to the challenge. Normally, on an ordinary day, we do not have a shortage of court space, so there is no general need to have night or evening sittings. We can certainly improve the efficiency with which the more straightforward cases are dealt with. They can be brought on at an ordinary hour more quickly than they sometimes are now. We are working on that. It was a tribute to the court service and everybody who works in it that they all worked as well as they did.

T7. [78982] **Gloria De Piero** (Ashfield) (Lab): I wrote to the Justice Secretary six weeks ago on behalf of my constituent Gary Thrall, but have not yet had an answer. May I ask him again to look at this case and at the fact that 16 months on from a vicious knife attack, Gary has yet to receive a final settlement from the Criminal Injuries Compensation Authority or to be advised of the likely time scale for the settlement, which is preventing the family from moving on?

Mr Blunt: I will, of course, investigate the case that the hon. Lady brings to my attention. I will get in touch with her directly.

Philip Davies (Shipley) (Con): According to figures from the Department, 10% of all crimes are committed by people on bail and 20% of burglaries are committed by people on bail. When the provisions in the Legal Aid, Sentencing and Punishment of Offenders Bill come into effect, which will make it harder for courts to remand people in custody, what estimate has the Department made of the number of crimes that will be committed by people on bail then?

Mr Kenneth Clarke: The changes we are making are to get rid of the anomaly whereby bail can be refused to someone who is charged with an offence in circumstances where it is quite obvious that they are not going to be sent to prison, even if they are found guilty. It is a reform that should have been made a long time ago. Serious offences are sometimes committed by people on bail, and we have committed ourselves to introducing a right of appeal when someone is given bail in the Crown court. There have been bad cases where serious offences have been committed. We hope to introduce an amendment in the other place that would allow the Crown Prosecution Service to challenge the granting of bail in the Crown court when a potentially dangerous prisoner is involved.

T8. [78983] **Jessica Morden** (Newport East) (Lab): Constituents of mine with serious health conditions who have been turned down for employment and support allowance are still having to wait up to nine months for a tribunal appeal hearing. With more than 40% of them being successful on appeal, what is the Minister going to do to end this unacceptable wait?

Mr Djanogly: This is relevant to a number of Departments. We are working with them to ensure that the procedures are such that better determinations are made at the outset so that we get fewer appeals. This is taking up a significant amount of my time. The hon. Lady makes an important point.

Alun Cairns (Vale of Glamorgan) (Con): When a magistrates court is forced to close, does my hon. Friend agree that every effort and flexibility needs to be shown to accommodate those magistrates in alternative courts?

Mr Djanogly: Yes, and they are. So far as I know, no magistrates have been forced to resign because of any court closure. They are normally encouraged to join the successor court, although some take the opportunity to resign at that point for their own reasons.

Huw Irranca-Davies (Ogmore) (Lab): The Secretary of State will no doubt share my respect for those who carry out pro bono work, which makes a big impact in my communities and throughout the UK. What does he make of the assertion that cutbacks are going to have to be made in pro bono services because of the cuts to overall provision?

Mr Djanogly: I do not see any reason why that should be the case.

Alok Sharma (Reading West) (Con): One of my constituents who was witness to a burglary and theft in the local area has made me aware that the youth defendant who pleaded guilty on two counts was required as part of his rehabilitation order to spend three weeks at summer arts college. Does the Minister believe that it is time to review some elements of the community sentencing framework?

Mr Blunt: We are going to look at the community sentencing framework, as I announced to the House last week. We are absolutely clear that the whole framework has to carry public confidence that there will be effective punishment in the community, while at the same time delivering effective rehabilitation. A sentence that protects the public and delivers restoration to the victim is a key part of our consideration.

Diana Johnson (Kingston upon Hull North) (Lab): We have an excellent community legal advice centre in Hull. What are the Minister's views on the future funding of CLACs and community legal advice networks?

Mr Djanogly: These will have to be looked at in the context of all not-for-profit organisations—citizens advice bureaux and so forth. If the hon. Lady wishes to discuss her particular concerns relating to her particular CLAC, I would be happy to discuss them with her.

Robert Halfon (Harlow) (Con): Following the publication of the Norgrove report, will my hon. Friend reassure anxious fathers in my constituency, including Mr Colin Riches, and will he make every effort to ensure that parents have equal access to children?

Mr Djanogly: We have every intention of ensuring that both parents have a meaningful relationship with their children, and we will look carefully at the Norgrove report in order to develop a Government approach to the matter.

Hugh Bayley (York Central) (Lab): The convictions of three world-class cricketers last week shows that even cricket is not immune from corruption. In his role as the Government's anti-corruption chief, will the Secretary of State look into the problem of corruption in international sporting bodies such as FIFA, and see what Britain can do to drive corruption out of international sport? There has also been controversy involving the Olympics and Formula 1.

Mr Kenneth Clarke: I share the hon. Gentleman's concern, but the issue of corruption in sport is primarily the responsibility of my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport. I know that he is working with his European Union opposite numbers on specific measures to tackle it, and I am following his progress very closely. The recent convictions show that there are problems that need to be tackled in the interests of everyone who believes in the value of sport—but honest sport—to a community.

Tom Brake (Carshalton and Wallington) (LD): The Government are committed to ensuring that women are not sent to prison in disproportionately high numbers. May we have an update on the Corston report?

Mr Blunt: The Government support the objectives of the Corston report, as did our predecessor, and as we did in opposition. There are only one or two elements of it that we are unable to deliver, such as the recommendation for more smaller custodial units. As was made clear in the exchanges that followed the question asked by my hon. Friend the Member for Maidstone and The Weald (Mrs Grant), one of our main priorities is to make progress on the Corston agenda and to learn some of its lessons in how to deal with not just women prisoners, but all prisoners.

Yvonne Fovargue (Makerfield) (Lab): The Money Advice Service has sacked 100 front-line staff in order to spend more money on publicity. Does the Secretary of State now regret removing nearly all debt advice from the scope of legal aid, and what cross-departmental discussions is he having about the future of such advice?

Mr Kenneth Clarke: I am very sorry to hear what the hon. Lady has said, but I am not sure whether the issue is the responsibility of my Department; it may be the responsibility of the Department for Business, Innovation and Skills. However, I will certainly check, because it is extremely important for advice to be available at what is a difficult time for many people. Advice on debt is, unfortunately, one of the things that many people require—not only foreign Governments, but a fair number of our own citizens.

Sheila Gilmore (Edinburgh East) (Lab): A few months ago, the Minister said that the backlog of appeals on social security matters would be resolved through the employment of more people. That was before the summer, but the waiting times seem to be as long as ever. Why is that?

Mr Djanogly: There is still a significant number of appeals, but the number is now being stabilised and the delays are being reduced.

Mrs Mary Glindon (North Tyneside) (Lab): Given that probation trusts are experiencing major cuts in their budgets, can the Minister explain how he expects them to do more for less?

Mr Blunt: Probation trusts have been relatively well protected given the current environment. The additional cuts are at least 13% less than the overall cut in the Ministry of Justice budget, which shows that we are making the protection of the front line a priority in order to ensure that services are delivered effectively. However, like everyone else, probation trusts will have to make their contribution to rescuing our nation's economy from the wretched mess in which it was left by the last Administration.

Several hon. Members *rose—*

Mr Speaker: Order. I apologise to colleagues. I should be happy to allow these exchanges to continue all day if there were time, but there is not.

Points of Order

3.34 pm

Tony Baldry (Banbury) (Con): On a point of order, Mr Speaker. May I ask for your guidance? Item 4 on today's Order Paper, under the heading "Backbench Business", is entitled "Publication of a Select Committee Report". Below that is a motion in the name of the hon. Member for Liverpool, Riverside (Mrs Ellman), which states

> "That this House notes the publication of the Tenth Report from the Transport Committee on High Speed Rail".

As you know, Sir, a number of us are concerned about that issue. Below the motion is a note which says

> "Proceedings on Mrs Ellman's Motion are expected to continue for approximately 20 minutes."

I have never seen such a provision on the Order Paper before. Will you give the House some idea of what you expect to happen? Will the hon. Member for Liverpool, Riverside be allowed to speak for 20 minutes about the Select Committee's report? Will those of us who have quite a lot to say about the report have any opportunity to intervene or to make a contribution, or does the note merely constitute guidance meaning that the business can continue until any hour?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order, and I hope to be able, at least in part, to satisfy his curiosity.

First, I am sorry the hon. Gentleman has not noticed such an item on the Order Paper before; that is uncharacteristically unobservant of him, as in my current recollection there have been at least three occasions on which similar items have been placed on the Order Paper.

Secondly, the hon. Gentleman seeks a steer as to the nature of the proceedings in question. It is an occasion upon which the Chair of the Select Committee presents a statement about the report, and it is customary on such occasions for Members to intervene on the Select Committee Chair, if they wish to do so. There are no other speeches, however.

Thirdly, I should inform the hon. Gentleman that this is a relatively recent development, and he may wish to look in the direction of his right hon. Friend the Leader of the House—who is currently sitting on the Treasury Bench—if he is curious as to whether it will be a temporary or an enduring phenomenon. I shall leave that little teaser in the mind of the hon. Gentleman.

Mary Creagh (Wakefield) (Lab): On a point of order, Mr Speaker. I informed the Environment Secretary of my intention to make a point of order today. Yesterday, the right hon. Lady published a written ministerial statement on the results of the European Union Agricultural Council, in which she states that

> "the laying hens directive…comes into force on 1 January 2013."—[*Official Report*, 7 November 2011; Vol. 535, c. 5WS.]

As Members on both sides of the House will be aware, the laying hens directive, in fact, comes into force on 1 January 2012. The Secretary of State also states in that document, however, that the Commission plans to uphold the ban on battery cages and to start inspection visits at the start of 2013. There is therefore some confusion about what action the Commission will be taking and in which year that will start.

This is not the first time that Environment Ministers have slipped up. They had to correct the record on the new British Waterways charity, and there is also the now-legendary legal case that was supposed to be proceeding in Europe on the use of wild animals in circuses, but which transpired not to exist. Will you advise the House, Mr Speaker, on when the Secretary of State might come to the Chamber to correct the record? I see that the Leader of the House is in his place; I wonder whether he can assure us that such unfortunate episodes will not become custom and practice.

Mr Speaker: I am grateful to the hon. Lady, the shadow Secretary of State, for her point of order. The matter to which she has referred is certainly of intense, and probably of enduring, interest to a great many, including the hens themselves. The other matters to which she referred will have been noted, doubtless at a distance by the Secretary of State, and here in person, in the Chamber, by the Leader of the House. If the hon. Lady were minded to pursue the matter any further, I might—unfairly—conclude that she was seeking to establish a point not of information, but a political argument; but I am sure she has not got the latter in mind in any way.

Grahame M. Morris (Easington) (Lab): On a point of order, Mr Speaker. The Prime Minister and the Health Secretary have both claimed that UK cancer survival and death rates are poor by international standards, and they have referred to that as a justification for the NHS reforms. It has become clear from a study produced by Professor Pritchard-Jones—

Mr Speaker: Order. The hon. Gentleman should resume his seat. I fear that points of order might be in danger of transmuting into comments on past ministerial statements on a range of matters. If the hon. Gentleman is seeking to prove to me and the House what an assiduous member of the Health Committee—and of the previous Health and Social Care Public Bill Committee—he is, he has succeeded in his mission.

Steve McCabe (Birmingham, Selly Oak) (Lab): Further to that point of order, Mr Speaker. I just wonder whether you are keeping any score of how many mistakes, misquotes or misdirections to the House Cabinet Ministers are allowed to make before there is some attempt to call them to account.

Mr Speaker: The short answer to the hon. Gentleman's question is no, but he has made his point. If there are no further points of order, we can come now to the ten-minute rule motion, for which the hon. Member for Lewisham East (Heidi Alexander) has been patiently waiting.

Internet Regulation (Material Inciting Gang Violence)

Motion for leave to bring in a Bill (Standing Order No.23)

3.40 pm

Heidi Alexander (Lewisham East) (Lab): I beg to move,

> That leave be given to bring in a Bill to give courts the power to order internet service providers to remove certain material which incites gang violence; and for connected purposes.

I am introducing this Bill because I am appalled by the proliferation of online videos glorifying gangs and serious youth violence. The police, via the courts and internet service providers, need to be given explicit power to get these videos taken down or to get access to them blocked. These videos act as a recruitment mechanism for gangs. I believe they lead to an increased number of young people in our cities who feel the need to carry a knife for protection and they terrify any ordinary human being who watches them.

I first came across these videos last year, when a constituent contacted me after his son had been the victim of a gang-related mugging. He sent me links to a video that was up on YouTube of the gang that had robbed his son. The video was filmed in broad daylight in a car park in the heart of Catford. It contained images of 10 to 15 young men—perhaps I should say boys—rapping, swearing and waving knives around as if they were cigarettes. The video boasts about violence; it is menacing, sickening and frightening. There are hundreds, if not thousands, of these sorts of videos on the internet, not just on YouTube, but on sites such as Spiff TV. If someone types "Brixton gangs", "Hackney gangs" or "Lewisham gangs" into any online audio-visual search facility, they will find these videos. Not all contain images of knives, but the narrative is the same, "Mess with us and we'll stab you." These videos have been viewed tens of thousands of times each—sometimes hundreds of thousands of times.

Over the past year, I have attempted to interest the Minister for Policing and Criminal Justice in this issue, but my letters and contributions in debates have fallen on deaf ears. Last week, the Government launched their report into ending gang and serious youth violence, but it contains almost no mention of the internet. I find that remarkable, short-sighted and out of touch. We know that the internet is increasingly central to people's everyday lives—that applies to young people in particular. Indeed, some research suggests that teenagers spend as much as 31 hours per week online. The popularity and accessibility of the internet means that it is inevitably one of the ways through which young people get caught up in the madness of youth violence, yet this Government seem to be ignoring it.

These videos frighten me and they will frighten young people too. Every one of us here today knows that carrying a knife is wrong. Some of us will also know that if a young person carries a knife, it is probably as likely to end up injuring them as anyone else. But we also know that many young people carry knives out of fear. They may not start out to stab someone but, as we all know, too often that becomes the tragic reality. As Patrick Regan says in his book "Fighting Chance":

> "The truth is that, for many, the everyday fear of gangs and what they can do to you is far greater than the fear of being caught and going to prison".

Do we not owe it to the young people who are viewing this stuff online to make them feel safer? These are not videos filmed in some make-believe American gangland. No, these are videos filmed in our own communities—in our car parks, our town centres and on our housing estates. They are filmed in easily recognisable locations where my constituents will walk on a regular basis.

Currently, one of the only ways that this material is removed from the net is if enough people flag the video, via YouTube's online community policing mechanism, as having inappropriate content; if enough people report the video as being unacceptable, it will ultimately be taken down. That is clearly a start, but it is not good enough. The police should have the power to get access to these videos blocked by the courts and internet service providers. I am not so naive as to think that would be a panacea, but it strikes me that when the police know that this kind of material is freely available to anyone with access to the web, they should be empowered to take action against it.

We should not have to rely on voluntary community censorship in relation to this important issue, not least because the majority of people viewing the material are probably those least likely to want to report it for fear of reprisal. I recognise that policing of the internet will always be incredibly difficult, but unless we start to grapple with the online manifestation of gangs, I question our ability to tackle the problem. We can talk about gang injunctions all we like, and there might be a need for them, but should we not also recognise that the same individuals might cause an equal amount of fear by their actions when sat at a computer at home?

In the time that remains, I shall turn my attention to the existing legislation. Although the Communications Act 2003 does not provide a solution to the problem, the provisions in the Digital Economy Act 2010 might be a useful template for what I propose. Section 127 of the Communications Act, entitled, "Improper use of public electronic communications network" makes it a criminal offence to send

> "a message or other matter that is grossly offensive or of an indecent, obscene or menacing character".

It might be possible to use that measure to deal with the perpetrator of the gang video—the camera man—but it does not provide a means of requiring that the violent material be removed from public view on the internet. Clearly, we need to go after the gang members themselves, but we also need to be able to remove what is effectively their advertising material. The Communications Act does not seem to be of any use in that regard, whereas the Digital Economy Act contains a potentially useful template in respect of the power it grants to courts to order internet service providers to remove web content that infringes copyright. I put it to the House that the removal of material inciting gang violence could and should be dealt with in a similar way.

I understand that in the new year, the Department for Culture, Media and Sport is going to publish a Green Paper on a new communications Bill. In the hope of joined-up government, I urge the Under-Secretary of State for Culture, Olympics, Media and Sport, the hon. Member for Wantage (Mr Vaizey), who is present, to ensure that DCMS and the Home Office work together and look carefully at the options for addressing this important issue. If the Government are serious about

[Heidi Alexander]

addressing the problems of gangs and youth violence, they need to wake up to the role of the internet and the way in which young people become involved in gangs and knife crime.

As things stand, I fear there is a real danger that the Government are leaving the need for an internet strategy to tackle gang crime, and indeed other forms of crime, in the "too difficult to tackle" box. That simply is not good enough. Gangs may not be a new phenomenon but the casualisation of violence associated with them is. The speed and reach of the internet in propagating and glorifying that violence is also something new and we must not ignore it. We must find a way to address it.

Question put and agreed to.

Ordered,

That Heidi Alexander, Mr David Lammy, Ms Karen Buck, Joan Ruddock, Bob Blackman, Siobhain McDonagh, Meg Hillier, Bill Esterson, Teresa Pearce and Mr Lee Scott present the Bill.

Heidi Alexander accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 16 March, and to be printed (Bill 246).

European Budgets 2014 to 2020

3.49 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): I beg to move,

> That this House takes note of European Union Documents Nos. 12478/11 and Addenda 1 and 2, 12474/11, 12480/11, 12483/11, 12475/11 and Addenda 1 to 3, and 12484/11, relating to the Commission's proposal on the next Multiannual Financial Framework (MFF), 2014-20; agrees with the Government, that at a time of ongoing economic fragility in Europe and tight constraints on domestic public spending, the Commission's proposal for very substantial spending increases compared with current spend is unacceptable, unrealistic, too large and incompatible with the tough decisions being taken in the UK and in countries across Europe to bring deficits under control and stimulate economic growth, that the next MFF must see significant improvements in the financial management of EU resources by the Commission and by Member States and in the value for money of spend and that the proposed changes to the UK abatement and new taxes to fund the EU budget are completely unacceptable and an unwelcome distraction from the pressing issues that the EU needs to address; and supports the Government's ongoing efforts to reduce the Commission's proposed budget.

Yesterday, the Prime Minister made a statement to the House following the G20 meeting in Cannes regarding the ongoing crisis in the euro area. As his statement made clear, it is vital that the euro area sticks to the deal agreed to two weeks ago by the European Heads of Government to resolve the ongoing crisis. A resolution to that crisis is vital to UK, European and global economic interests. It is equally important that, over the longer term, the euro area and the wider EU take the necessary steps to tackle the deficits that are the root cause of the crisis.

The ongoing instability in the euro area vindicates this Government's decision to get ahead of the curve, cut our deficit and impose strict fiscal discipline on our budget. It is vital that EU member states demonstrate the same resolve, and we welcome commitments by Italy and Spain, among others, to do so. However, the European Commission must also lead from the front in a drive to impose financial discipline across the EU institutions. That is why it is unacceptable for the Commission to propose a 4.9% increase in the annual budget for 2012. The UK and the European Council have agreed that we could not approve such an increase at a time when member states are facing tough decisions to impose fiscal discipline and consolidation. We will be taking a firm stand on the 2012 budget when we meet in the budget ECOFIN later this month.

Let me turn now to the principal subject of today's debate: the multi-annual financial framework that sets out how much the Commission wants to spend in 2014 to 2020 and how it will fund it. The Commission's proposals seek to increase both its revenue and its spending. It wants new taxes to expand the Brussels coffers, and proposes inflation-busting spending increases. That is simply not acceptable. The answer is not to raise more and spend more; it is to control spending. The best way to restrain EU annual budgets is to set—

Geraint Davies (Swansea West) (Lab/Co-op): On a point of clarification, the Minister mentioned inflation-busting increases, but am I right in thinking that what is being proposed is a 5% cash increase in the ceiling over the seven-year period? If so, that would be less than the rate of inflation in real terms, and therefore not an inflation-busting increase.

Mr Hoban: The most recent rate of inflation in the EU was about 2%, so clearly a 5% increase would be in excess of the rate of inflation, and therefore an inflation-busting—

Geraint Davies *rose—*

Mr Hoban: No, let me continue.

The best way to restrain EU annual budgets is to set tough multi-annual framework ceilings. That is why, at the European Council in October 2010, member states agreed that the

"forthcoming Multiannual Financial Framework must reflect consolidation efforts being made by Member States to bring deficit and debt onto a more sustainable path".

Rather than following that path, however, the Commission has meekly bowed to pressure from the European Parliament to increase the budget, thereby returning to the extravagance and irresponsible spending that sowed the seeds of the current global economic crisis. Just as we cannot accept the Commission's 2012 budget, we also cannot accept the Commission's proposal, as set out on 29 June, to increase the multi-annual framework budget for 2014 to 2020 by 11%. Such an increase is incompatible with the tough decisions being taken in the United Kingdom and in countries across Europe to cut spending.

Instead of consolidation, the Commission proposes expansion. It has ignored the calls made in December last year by the UK, France and Germany for a real-terms freeze in spending. The Commission claims to have done as we have asked, but let me make it absolutely clear to the House that it has not. On average, the spend in each year of the next framework would be about €14 billion higher than it is today.

Mr John Redwood (Wokingham) (Con): Given that the Government are now studying the powers and duties that can be brought back to the House for national and local decision, surely we should be taking big lumps out of this budget? If, for example, we repatriated agriculture, industrial aid and regional aid, we could cut the budget by two thirds. I think that the members of the public to whom I answer would be very pleased with that.

Mr Hoban: My right hon. Friend makes an important point. In parallel to the debate about the ceilings for the budgetary framework over the course of the period between 2014 and 2020, debates are also taking place on the individual lines of expenditure within the EU budget, and we are proposing significant reductions in cost to underpin our strategy of curbing overall spending by the EU.

Mr Denis MacShane (Rotherham) (Lab): Will the Financial Secretary give way?

Mr Hoban: May I make a little progress? I am conscious of the number of hon. Members, perhaps on both sides of the House, who want to take part in the debate.

In addition to the on-budget spending increases proposed by the Commission, the Commission has earmarked an extra £18 billion in off-budget spending. That is an alarming lack of transparency that brings added risks of poor oversight and control. In a further lack of transparency, the proposal fails to focus on levels of cash payments—actual expenditure that the multi-annual financial framework will allow in each heading. Instead, it opts to use commitments—planned expenditure—but frankly the cost to UK taxpayers is not how much is planned to be spent but the actual cash going out of the door. This should be the starting point for the higher control over spending, and we and our allies have made that clear to the Commission.

Mr MacShane: Will the Financial Secretary give way?

Mr Hoban: Let me make a bit more progress and I will take the right hon. Gentleman's intervention in a short while.

The Commission also asked us to use as our starting point for a freeze—this is perhaps where the hon. Member for Swansea West (Geraint Davies) has been confused by the Commission's numbers—the level of spend planned in 2005, but we cannot ignore the fact that the global crisis has taken place since then. Every country has had to scale back its spending from pre-crisis days and the European Commission is no different.

The Commission can also do more to ensure that money is spent more wisely. We are leading the way on reforming financial management in the EU. For the first time in 17 years, we have refused to support the sign-off of the EU accounts. We are pushing for simpler, clearer rules on spending programmes that make it easier to spot fraud and error, and we have also raised our game at home to ensure that EU money spent here is spent properly and wisely.

Andrea Leadsom (South Northamptonshire) (Con): Will the Financial Secretary give way?

Mr William Cash (Stone) (Con): Will the Financial Secretary give way?

Mr Hoban: Let me finish a couple of sentences and then I will give way.

Tackling financial mismanagement in the EU can help meet spending commitments, so our message on spending is clear. There should be a real-terms freeze on spending, a focus on the amounts actually spent, not plans dreamt up over five years ago when the world was different. Let us tackle waste and financial mismanagement across the EU. I give way to my hon. Friend the Member for South Northamptonshire (Andrea Leadsom).

Mr Speaker: Order. Before the Minister gives way to the hon. Lady, I emphasise that, of course it is in the gift of the Minister to give way as he thinks fit, but the total time for the debate on this matter is only one and a half hours, and it would be a pity if Back Benchers were disappointed. I am sure that the Minister will tailor his remarks and his giving way accordingly.

Andrea Leadsom: Thank you, Mr Speaker. I shall bear in mind your comments. I am grateful to the Minister for giving way. Does he agree that one of the most ridiculous wastes of money in this day and age, with tight budgets, is the European Parliament continuing to move between countries during the week, at enormous expense to British taxpayers?

Mr Hoban: We could spend all one hour and 30 minutes detailing the ways in which the EU wastes money. My hon. Friend has raised one. The EU spends more on buildings in Luxembourg than on vital expenditure. So, conscious of your strictures, Mr Speaker, let me make some progress.

Curbing European spending is not the only priority for the UK. We need to tackle how the EU funds its spending, too. The Commission is trying to increase its control over funding by introducing new EU-wide taxes and amending the correction mechanisms such as the UK abatement or rebate. Now, this Government have been absolutely clear. We will defend our rebate. Last time the UK negotiated the multi-annual financial framework in 2005 the then Labour Government gave ground on the rebate in return for reform of the common agricultural policy. What has happened since then? The value of the rebate has fallen, but the spending on the CAP has not budged. We will not fall for empty promises; we will resist any change to the abatement. Our rebate remains absolutely justified. The structure of EU spending means that we get less per capita than any other member state. Without the rebate, the UK's net contribution as a percentage of national income would be the largest across Europe and twice as large as the contributions made by France and Italy. Our rebate is fully justified, and we are not going to give it away.

Mr MacShane: Can the Minister confirm that, for the six years, the proposed increase is 11%. Eleven divided by six is 1.85% or about 1.9% each year. Is that factually accurate?

Mr Hoban: This goes back to some of the challenges in the Commission's presentation of its numbers. The budget proposed by the Commission is £100 billion larger than the real freeze in spending that the UK and its allies have proposed. *[Interruption.]* The right hon. Member for Rotherham (Mr MacShane) says that I have not answered the question. It is clear that the way in which the European Commission has structured its budget, by having some things on or off-budget and by talking about commitments rather than actual spending, confuses and clouds the position, leaving some to think that the Commission has embarked on a freeze on the budget, whereas in reality the EU is proposing a real-terms increase in the budget.

Let me move on to the second issue in relation to the funding of the EU budget. The Government strongly oppose the proposal for new taxes to fund the European Union budget. They attach considerable importance to the principle of tax sovereignty. Tax is a matter for member states to decide at a national level. We oppose any new taxes or changes to the existing system that increase the UK's contributions or pose a threat to our long-term position, including a financial transactions tax to fund the EU budget. We cannot accept a budget which asks for more and asks for a greater share from taxpayers and from the UK.

A year ago, the Government set out their plans for the consolidation of public expenditure at the spending review. Supported by the International Monetary Fund and OECD, the Government set out plans to reduce the deficit. We have shown our resolve by keeping the UK out of the storm that has engulfed the euro area, and we will show the same resolve with the European Commission. The inflation-busting increases proposed by the Commission are out of touch with the realities felt by taxpayers across Europe, and out of touch with the views of José Manuel Barroso, who in June argued that many states

> "need to show more ambition when it comes to fiscal consolidation".

We as a Government believe that the Commission needs to show much more ambition, too, when it comes to fiscal consolidation. We will continue to press the European Commission and member states to deliver a multi-annual framework that delivers real fiscal consolidation. This will be a challenging negotiation.

Mr Cash: Will my hon. Friend give way?

Mr Hoban: There will always be pressure from others to spend more, and a failure to agree the framework would shift the focus to the annual budget process which, unlike the framework, is decided by qualified majority voting. It is an uncertain prospect that we are eager to avoid. That is why we will work tirelessly to seek the best deal on the multi-annual framework, but a deal on our terms—a deal that curbs EU spending and puts a brake on the Commission's plans for EU-wide taxes and seizing some of our rebate—

Mr Cash: Will my hon. Friend give way?

Mr Hoban: I was about to conclude to give my hon. Friend time to speak in the debate, but let me take his intervention.

Mr Cash: This gives me an opportunity to put one thing on the record, not necessarily in a spirit of cynicism. Last year I moved an amendment, which was accepted by the House, that we would have no increase in the budget. By the end of the convolutions that took place, the Government accepted an increase of 2.9%. May I be absolutely assured that on this occasion, given the robust nature and the tenor of what my hon. Friend has said, that there will be no increase whatsoever?

Mr Hoban: My hon. Friend is well versed in the intricacies of the European Union. As he knows, the budget negotiations later this month are done on a QMV basis. We do not have a veto on the 2012 budget and we will be seeking to build a coalition of allies who are as committed as we are to curbing the expenditure of the EU, and who are as committed as we are to opposing the inflation-busting increase proposed by the European Commission. I am sure that when we reach that deal later this month, my hon. Friend will seek to hold the Government to account on that. I can assure him that we are doing everything in our power to ensure that we curb the EU's plans and reduce the spending levels proposed by the Commission.

Mrs Anne Main (St Albans) (Con): Will my hon. Friend give way?

Mr Hoban: I will not, as I was about to end, bearing in mind Mr Speaker's strictures.

We are committed to seeking the best deal for the United Kingdom, a deal that curbs EU spending, puts a brake on the Commission's plans for EU-wide taxes, and seizes some of our rebate. I urge the House to support the motion.

4.4 pm

Chris Leslie (Nottingham East) (Lab/Co-op): The Minister started the debate by referring to today's news about the eurozone crisis. Despite the failures of all leaders at the G20 summit, including the Prime Minister, and the continued failure of the eurozone to put flesh on the bones with regard to the dimensions of the European financial stability facility and the role of the European Central Bank, we hope that some leadership will eventually emerge across the European stage to get to grips with the problem. I am sure that the Minister will want to take back the message from both sides of the House that far sturdier action is needed on these issues.

It is important that the House recognise the difference between the issues we would like to discuss today and the specific issue addressed by the motion. The Minister referred to the Council of Ministers' proposal in the summer for a real-terms freeze in the EU's annual budget for 2012—in other words, a cash rise of over 2%—yet the European Parliament voted on 26 October to back a package even higher than the Commission's proposal for a 4.9% increase. Labour Members of the European Parliament voted against the package, which would have amounted to an increase of more than 5%. We were prepared to support only a real-terms freeze in the budget.

I am told that there will now be a 21-day negotiation period among the three EU institutions. If the 2012 budget is not passed by December, it will be worked out on a monthly basis, based on 2011 levels. We believe that the proposal to increase the budget by more than 5% will strike most people as unjustified and wrong-headed. The last time we saw the Government negotiate an annual budget, the Prime Minister started by promising a freeze but ended up claiming that an increase was a victory. This time he needs to do better and must not support another inflation-busting rise in the EU budget.

Greg Hands (Chelsea and Fulham) (Con): What about the rebate?

Chris Leslie: I will come to that in a moment.

If that means the Government need to stand firm for the full 21-day negotiating period, so be it. The UK should not allow the 2012 budget to rise beyond a real-terms freeze.

With regard to the snappily titled "Multiannual Financial Framework 2014-2020", we rarely have an opportunity to debate a subject while the Chancellor is talking about it at an ECOFIN meeting, so this is a useful sign that Parliament is in tune with the issues of the day. Defining the main budget priorities over the seven-year period is a process that began in 1986 but was changed in the Lisbon treaty so that there was greater involvement for the European Parliament. It is important to explore the detail, but in our view the notion that there should be any significant overall increase in expenditure is perverse, given the strictures being placed on mainstream public investment projects at home. The Government must ensure that they deliver on their rhetoric in the motion and secure a much better deal than the one currently on the table.

There are two crucial areas on which the Government need to focus: the Commission's proposal for new revenue powers and the UK rebate. With regard to the Commission's proposals to change what it calls its "own resources" method of calculating the income it received from each member state, it is suggesting two new direct revenue streams. The first is a top-slice process for domestic VAT revenues, which I would like to ask the Minister about specifically. I am very sceptical about the proposal and would be grateful if he addressed it when summing up, because I do not think he touched on it adequately in his opening comments. Will he tell the House what proportion of our domestic VAT would be diverted to EU institutions if the change was proceeded with? The Commission seemed to suggest that it is a replacement for the VAT element of the funding formula used to calculate contributions from each member state, but how would the existing arrangements and the new arrangements compare?

With regard to the Commission's proposal for a new EU financial transaction tax, can we at least be clear that it twists the notion of a Robin Hood tax so wide of the mark that it is barely recognisable from the global FTT, which has received so much support from charities, campaigners and leading economists worldwide? Revenues from any FTT must surely be destined for jobs, growth and carbon reduction at home and in the developing world. Pouring those revenues into the EU budget or EU bail-out funds instead would be the wrong thing to do and totally contrary to the spirit of a genuine Robin Hood tax. Instead, the starting point ought to be the proposal that Labour put forward at the 2009 G20 summit, which is that all countries should agree to work together to establish a tax, set at a fraction of 1%, that could be levied on financial transactions, millions of which happen in the City everyday. We want to see a financial transaction tax—but one that is implemented with the widest possible international agreement.

Mr MacShane: In 1995 I moved an amendment to the Finance Bill proposing exactly what my hon. Friend suggests, but an hon. Friend who later became the Chancellor of the Exchequer and is now my right hon. Friend the Member for Edinburgh South West (Mr Darling) wrote through it with red ink, "No new taxes", so the idea died the death some 15 years ago. I agree with my hon. Friend the Member for Nottingham East (Chris Leslie), but let us not make the best the enemy of the good. If we get this thing going, we are getting something going that will help people. Waiting for everybody in the world to sign up to it will involve a very long wait.

Chris Leslie: I understand my right hon. Friend's frustrations, but I really do not think that the proposal on the table from the Commission would achieve the outcomes that he or I seek. We have to make concerted efforts to broker a deal where any FTT applies in any of the world's big financial centres, all of which by the way have much to gain from a new and reliable revenue stream that supports jobs, growth and the developing world.

The Commission's proposal falls short, especially because of its intended destination for the revenue, but I think that the difference my right hon. Friend seeks is this: we felt that there was a real window of opportunity to steer the agenda on a financial transaction tax and to persuade other countries that it was something seriously worth considering, but our Chancellor is out there at the ECOFIN meeting today, resisting under all

[Chris Leslie]

circumstances. Indeed, he wrote a private letter to bankers the other day in which he indicated that he was not in favour of it at all—even though that contradicts some of his statements in this place. He is wrong to block wider discussion among the G20 and beyond.

The BBC's Nick Robinson reported this lunchtime that our Chancellor asked what was the point in even having a conversation about the financial transaction tax and, apparently, whether it was

"the best way to spend our time".

It is important that we address those issues, because the Government's weak and defeatist attitude is an abdication of leadership and a total abandonment of the gains made for the cause at the G20 meeting in 2009. It is time that Britain stepped up to the plate and showed the leadership needed to broker a better deal by being open to the idea that it is possible to win the argument for a different approach. That is why we call on the Government to engage internationally—beyond the EU proposals alone.

The second major proposal in this multi-annual financial framework is for the Commission to change the correction mechanisms for countries that are the most significant net contributors to the EU. In other words, it proposes to end the UK's permanent rebate. The rebate returns about two thirds of the difference between the UK's contribution to the EU and the money we receive back. Let us be absolutely clear: the Commission's proposals are totally unacceptable. Of all the 27 countries, only Germany is a higher net contributor to the EU budget than the UK, and we have the lowest per capita receipts from it. The common agricultural policy is a far bigger distortion of the EU budget than any correction mechanism such as the UK rebate.

This is a key test for the Prime Minister. He needs to put up a strong defence of our rebate if the language that he uses here in the House is to be matched by his deeds in those negotiations.

Mr Redwood: Will the hon. Gentleman give way?

Chris Leslie: Everybody will be watching closely, including the right hon. Gentleman, to whom I am happy to give way.

Mr Redwood: What promises did the previous Prime Minister but one receive when he gave away a chunk of our rebate? I thought we were promised a reduction in agricultural spending, which would be very welcome.

Chris Leslie: I was not a Member at the time to which the right hon. Gentleman refers, but it is true that there have been changes to the UK rebate, although not to the majority of it. My understanding is that, in terms of money returned, the total amount of rebate has actually gone up, with €5.8 billion in the previous MFF round compared with €2.8 billion before, so the rebate is still a very significant gain for the UK.

There were changes to the common agricultural policy, although—I accept—not as many as people would have liked, but until we have further proposals from the Commission on reforming the common agricultural policy I am certainly not going to get into the business of urging the Minister to change the UK rebate. It is very important that the Government put up a defence of the current position and, indeed, try harder to engage with further proposals on the CAP. That is by far the bigger distortion. We need to pursue a stronger reform agenda and to have a CAP reform that is fairer to small farmers but does not lavish as much on wealthier players in the wealthiest countries. We need to tackle that anomaly as it is an outdated relic.

I am grateful to Business for New Europe's pamphlet entitled "Rethinking the EU Budget," which suggests some very important changes to EU competitiveness deficiencies, such as boosting research and development. It is also important that the Minister address the deficiencies in the structural funds. Few of those are helping to boost growth, when they ought to be getting investment moving into the economy. Above all, the MFF ought to contain far greater emphasis on a strategy for jobs and growth, where we know the Government have a blind spot.

The Commission and the European Parliament also need reminding that, without growth, we cannot solve the debt crisis, the banking crisis or the jobs crisis. Energy infrastructure projects, high-speed broadband and transport link improvements could all be brought forward within the MFF envelope and prioritised to boost employment and economic activity. *[Interruption.]* The Minister shouts from a sedentary position that that involves more spending, but we are talking about within the limitations of the budget. We do not wish to see the increases proposed by the Commission. The Minister should be out there arguing for a proper strategy for growth, and his failure to do so betrays Ministers' and the Treasury's blind spot on these issues.

The motion before us tonight talks tough on some of these issues and we will not oppose it, but it is important that this time Ministers do not flunk the tests when they get into the negotiations.

Several hon. Members *rose—*

Mr Speaker: Order. A considerable number of Members are seeking to catch my eye. I remind the House that the debate is due to conclude at 19 minutes past 5 and that it would be seemly and courteous to allow the Financial Secretary five minutes to reply to it. Members can do the arithmetic for themselves. There is less than an hour for Back-Bench speeches and, as a consequence, I have imposed a five-minute limit on Back-Bench contributions with immediate effect, beginning with Mr John Baron.

4.16 pm

Mr John Baron (Basildon and Billericay) (Con): I have added my name to the motion because I very much support the Government's attempts to reduce the Commission's proposed budget. We must rein in the Commission's spending, which is excessive, above inflation and goes against the direction of travel of Government budgets generally, as my hon. Friend the Financial Secretary has made clear from the Dispatch Box.

Taking into account changes to the rebate, our net contribution suggests that the increases are far worse for this country. In the previous Parliament, the total net contribution was around £19 billion. In this Parliament —over the next four or five years—it is set to rise to more than £41 billion. We often talk about big figures in this place, but what does that actually mean in terms of people's perception of such expenditure? Let us consider the average starting salary of a police officer or a nurse, which is well below £30,000. For that £21 billion or £22 billion increase, we could have an extra 750,000 police officers or nurses, or, at less then £300 million each, we could have a further 80 hospitals.

Alternatively, if we were really interested in spurring on and encouraging growth in this country, given that a 1p cut in basic rate income tax brings around £4 billion into the Treasury, we could have a 5p cut in the basic rate of income tax. That certainly would encourage growth and make a real difference to this country's economic outlook. Speaking of that, given that a 1p cut in small business corporation tax equates to £500 million, one could eliminate small business corporation tax for the increase we are talking about. If we really are serious about growth, I hope that that gives everyone an idea of the scope of the packages we could introduce, instead of just acquiescing in this monumental increase in the EU budget.

Mr MacShane: Will the hon. Gentleman give way?

Mr Baron: No, because I do not have time and I want to push on. I do apologise.

The situation is made even worse by the fact that the European Court of Auditors has still not signed off the accounts after 16 years. It is unbelievable. Such a situation would simply not exist in the private sector. We would not be more than doubling our contribution to an organisation that has not signed off its accounts. We have no precise idea of how the money is spent. We need to take cognisance of the fact that it is a dire situation when auditors have not been able to sign off the accounts. It proves the lack of transparency that exists when it comes to EU spend.

I suggest to my hon. Friend the Minister that we have to be careful about the position that the Government take. Although our first position is that there should be no net increase at all in absolute terms, our fall-back position seems to be that we do not want any increase in real terms—in other words, that we will match inflation. At the moment, inflation is a touch over 3% across the eurozone. However, there is a risk that inflation could rise, and we should be careful what we wish for when talking about pegging our contribution to inflation.

This recession is unusual in that it is a de-levering recession caused by too much debt. The options available to Governments are to reduce spending, which is difficult in the present environment, to create growth—again, difficult, because people are paying down their debts—or to create an element of inflation in order to inflate the debt away. I suggest that the European Union, or certainly the eurozone, will explore that possibility and is currently exploring the option of quantitative easing on a massive scale. Despite the economic outlook, higher inflation is not an impossibility, particularly looking 12 months out. I ask the Minister to be careful what he wishes for when he talks about pegging our contribution to inflation, because inflation could very well rise shortly.

4.21 pm

Kelvin Hopkins (Luton North) (Lab): Although we are all going to acquiesce in this motion—I understand that there will not be a vote—and although I support the conclusion that we should not increase our spending on the European budget, and, indeed, that it should be reduced, I do not support some of the wording in the motion.

I agree that we should not increase our UK contribution to the EU budget, now or at any time. We have to look towards a world where we reduce our contribution very substantially. The right hon. Member for Wokingham (Mr Redwood) and others have mentioned the common agricultural policy. Many times, when sitting on the Government Benches in previous Parliaments, I have called for the abolition of the common agricultural policy. If it were abolished and we carried on subsidising our own farmers at the level they are subsidised now, we would have a massive reduction in our contribution to the EU budget.

The proposed changes to UK abatement and new taxes are unacceptable. We should decide what our level of taxes should be. The UK abatement was wrongly reduced in a previous negotiation on the common agricultural policy that did not result in anything beneficial for Britain. At the time, *The Economist* said that the deal was so bad that it could have been better to have had no deal. I agree. I support the Government's efforts to reduce the Commission's proposed budget. The numbers that are being talked about are clearly unacceptable. It is regrettable, too, that all these things are governed by qualified majority voting instead of unanimity, but there we are.

I do not care for the wording of the motion. It refers to "economic fragility in Europe". Yes, the situation is certainly very fragile at the moment, and we will not recover from that fragility until we have more common sense about the eurozone. Certain members should be allowed to recreate their own currencies, find an appropriate parity for their currencies, and then reflate behind those currencies. That is the way forward for those countries, and it will benefit the eurozone and the European Union, and indeed the world economy overall, when that is allowed to happen.

Mr Cash: I should like to correct the hon. Gentleman on something. The multi-annual financial framework is governed by article 312 of the treaty on the functioning of the European Union, under which:

> "The European Council may, unanimously,"—

in other words, we could have imposed a veto—

> "adopt a decision authorising the Council to act by qualified majority when adopting the regulation".

That means that it is unanimity first, and then QMV.

Kelvin Hopkins: I would like to see Governments, and in particular our Government, using their veto from time to time in a more bold and radical way.

The wording that I am particularly concerned about is that which talks about

> "tough decisions being taken…to bring deficits under control and stimulate economic growth".

Those things are incompatible. If one wants simply to bring down budgets by cutting, that will not stimulate economic growth, but reduce it. The wording should be the other way around. If one wants to bring deficits under control, the best way to do so is to stimulate

[Kelvin Hopkins]

economic growth. Economic growth would bring down unemployment, increase tax revenues and reduce the burden of benefits.

If we encourage all the member states of the European Union to deflate collectively, that is the route to depression. There are lessons from the 1930s on that. I hope that we will quickly come to our senses and realise that we are in a pre-1930s situation. If we do not reverse it, we may head towards depression.

In questions to the Chancellor the other day, I talked about the Labour Government of 1945, who had a gross debt much larger than we have now. They chose not to cut spending, but to create the welfare state, bring in the national health service and run a full-employment economy. Full employment was sustained for two and a half to three decades. That is what brought the deficit under control, and that is what we should do again.

There are other bad examples from history, which I have mentioned before. After the first world war, there was the Geddes axe. There was a deficit after the war—there are always deficits after wars—so we thought that we should cut our way back to a lower budget. What happened, of course, was that for a decade we had low growth, high unemployment and the deficit got worse, not better. We are in danger of doing that again.

In the short term, we have to spend. We could reduce our contribution to the European Union budget and spend some of that money on areas of labour intensity with low import content. Those areas are obviously construction and the public services—precisely the areas that are being cut. Cutting is exactly the wrong thing to do and we should do the opposite if we are serious about bringing the deficit down. That would be beneficial for everybody because the people who do not have jobs would have jobs, the public services that are now suffering would not suffer, and the people who are dependent on public services would not be hurt.

I agree with the objective of reducing our contribution to the European budget and constraining it in the short term, but I do not believe that we should emphasise simply cutting deficits without recognising that that could make unemployment rise and the deficit get worse in the long term. That could lead us into a very serious economic situation.

4.27 pm

Mr Brian Binley (Northampton South) (Con): I welcome this motion and the Government's efforts to trim back the grandiose desires of the European Commission.

With your permission, Mr Speaker, I will take the Minister back to the Maastricht treaty because it is a pretty good place to start. In 1992, that treaty created the European Union. I am sure that the Minister has read it on many occasions. Article A states:

> "This Treaty marks a new stage in the process of creating an ever closer union among the peoples of Europe".

Would Members believe that the sentence continues by saying

> "in which decisions are taken as closely as possible to the citizen"?

The European Commission has clearly recognised the great strength of the first part of that sentence, but I fail to see where it has recognised the import of the latter part.

It seems to me that our Government have not really got behind the spirit of that part of the Maastricht treaty. Perhaps it is time that they looked at that sentence again, for democracy is about connection with the people and we have seen a little less of that than I would have liked over recent weeks in this place.

For too long, the European Union has failed to recognise that edict. The very fact that the European Commission could propose a 5.9% increase this year shows just how out of touch it is, at a time when Europe is raging under the constraints of a defunct EU currency. The whole European people face a future that could well be made much more difficult by the arrogance of those who created a currency for political reasons without considering the economic constraints.

Every time I go to Europe, I come back with the view that the European Commission does not live on the same planet that most of us live on, that it is out of touch with the people and that it needs to be told again and again about article A. It does not understand what my grandmother would have told it—that when someone is in financial trouble, there are only two things to do, which are spend less and earn more. There is no other way out of any financial difficulties.

The Government suggest that there is another way—mediaeval coin clipping. I say to the Minister, who is looking quizzically at me, that that means financial easing. People went around cutting little bits of silver off coins, and so devalued the currency. That is exactly what the Government are doing. I point out that there is a cost to pay for coin clipping, and it will be borne by our children and grandchildren, which I find totally immoral. It is about time that we faced up to the real purpose of adding to our inflationary burden. The Government think it is a cheap and easy way of getting out of our deficit problems, but have no doubt, there will be a cost to pay in the future.

I want to come on to the role of this Parliament. I welcome what the Government have done to get the 5.9% additional contribution down, and I congratulate them. However, I believe they have to do more in Europe. They have to point out article A of the treaty to the EU, and particularly to the eurozone. They have to point out that if democracy is to succeed, we have to make every effort to get closer to the people, not to take government away from the people. The truth is that the whole European adventure has achieved the latter, and it is about time that our Government got the point that they ought to aim for the former.

4.32 pm

Geraint Davies (Swansea West) (Lab/Co-op): I will keep my comments brief. I believe we all agree that we do not want to see an increase in the European budget. We all understand that a €1 trillion fund is being established to bail out the euro currency, and if push comes to shove we all understand that we are being asked for more money for the International Monetary Fund. We all understand that we in Britain are facing massive constraints on public spending. However, we should get our facts clear.

As I said in my intervention, I understand that what is being proposed is that the 2013 budget will be higher, and will become the fixed 5% cash increase ceiling between 2014 and 2020. However, it is said the total amount of the budget as a share of EU gross income will fall from 1.12% to 1.05%. I support what the Government are saying, but let us be fair about what is happening. There will be a cash increase ceiling, and the budget will fall in real terms as a share of overall EU income.

Stephen Williams (Bristol West) (LD): Will the hon. Gentleman recognise that one reason for that fall as a proportion of total European income is that some elements that are currently within the budget are being taken out of it and accounted for in a different way?

Geraint Davies: No, I do not accept that, but I do accept that there need to be structural changes in the budget, such as a reduction in common agricultural policy funding and more focus on growth, investment and tooling up Europe to compete with emerging markets. All those factors are important. Government Members who think this is all a complete waste of money and that we would be better off spending it at home on chip shops miss the point of having a commonality in research and innovation, and of making Europe more successful for the future. The Government seem to be completely ignorant of any strategic undertakings or documentation that come out of Europe on how to push smart, sustainable and inclusive growth. That is missing from the Government's armoury—they focus always on cuts and never on growth, and they are missing the wood for the trees.

On the Tobin tax, I clearly do not support a tax when 80% of it would fall on Britain and when it would undermine Europe's competitiveness. I share the view of the shadow Minister, my hon. Friend the Member for Nottingham East (Chris Leslie), that we should look for an international basis for such a measure. That said, we need to understand that an international Tobin tax would fall primarily on the US and the UK.

My understanding is that the rebate has been frozen at £3.2 billion a year for the next seven years, but we need to realise that if the gross contribution is increasing, our rebate is going down proportionately. The Prime Minister should argue harder for the rebate to increase at least at the same rate as the increase in our gross contribution. Without further ado, I shall come to a conclusion, because I know that many hon. Members wish to speak.

4.35 pm

Mr William Cash (Stone) (Con): First, I should like to demonstrate the extent of the documents that I will discuss in the next five minutes, just to give some indication of what is going on.

Secondly, as Chairman of the European Scrutiny Committee, I had the opportunity to go, on behalf of our national Parliament, to a conference on the multi-annual financial framework. It was a complete farce. Mr Barroso, our Minister for Europe, Ministers from other countries and their permanent secretaries and so on were all there. I was completely staggered by their inability to have the faintest idea of what was going on. I said to them, "You are living on another planet!" Somewhat unusually, I ended up being congratulated by our UKRep representatives on at least spelling that out. It is devastating how far removed those people are from the realities of life, as my hon. Friend the Member for Northampton South (Mr Binley) said.

On the structural questions, the proposals—the financial transactions tax and the change to greater own resources—are fundamental changes. The chairman of the European parliamentary committee, Mr Alain Lamassoure, who gave us the benefit of his many speeches, and who has written a huge pamphlet on the subject, is living on another planet. In the meantime, a meteor has hit planet Europe and huge chunks are falling off it, but it is still spinning, even when the whole thing is disintegrating in front of our eyes. These people are astonishing.

With respect to the Minister, I look to the future with some concern, if only because we could end up with another increase in spending despite the blandishments of the motion. Delighted as I am that right hon. and hon. Friends have signed the motion, I issue that cautionary note.

Mrs Main: I would like to test the resilience of the proposal about whether we have to pay more, and say, "No more will we pay," and see what happens. We for ever capitulate when we are pressed to the point. I would like to say, "This is the will of this sovereign Parliament, and we will not pay any more". We should test that

Mr Cash: I, too, take that view. My hon. Friend is completely right. I note that the motion states that the House

> "supports the Government's ongoing efforts to reduce the Commission's proposed budget".

I would hope to go further, but we shall see.

Mr Peter Bone (Wellingborough) (Con): The Prime Minister said at the Dispatch Box that he wanted to gain more reductions, but seemed to imply that he was held back by qualified majority voting. Does my hon. Friend believe that the Prime Minister has a veto, or is it down to QMV?

Mr Cash: I have already quoted article 312. There is no doubt that the whole process can be blocked by unanimity, but once the European Council has made a decision to go ahead, the decision reverts to qualified majority vote. I think that is right, but the Minister will correct me if I am wrong.

I want to deal with one fundamental question that came up over and over again. That conference was regarded as important because it supposedly carried the national Parliaments with it. That was partly the case, although it did not apply to the United Kingdom Parliament—certainly not to me in my capacity there. Growth is the key question, but, over that too, they are living on another planet, because their idea of growth simply means more investment of public money. I had to ask them, "Where is the money coming from?" There were about 300 people there—I was a little bit in the lions' den, but it was worth doing simply to see the unreality. As T. S. Elliot said:

> "humankind cannot bear very much reality".

When I asked, "Where's it coming from?", they said, "The taxpayers", but it is not coming from the taxpayers; it is coming from small business men all over Europe, who, when running their businesses profitably, can then

[Mr Cash]

be taxed. But what if they cannot run them profitably? Here we have the problem with social employment laws, and I had the temerity to mention to them things such as paternity and maternity leave, the working time directive, the temporary agency directives and the rest. I told them about the scale of redundancy payments. We saw the Channel 4 programme the day before yesterday on pensions in Greece. Apparently, when people leave work, those pensions remain, for the rest of their lives, equivalent to what they had earned per year when working.

The growth must come from the small and medium-sized businesses. I have here another of these documents—none of them ever see the light of day, but I have the pleasure of being able to tell the House about it today. This one is entitled, "Towards a European Consensus on Growth", but it, too, is completely and utterly unrealistic. There is no serious understanding of where the money comes from or of the fact that the result of having no growth in Europe is that there is no growth here either, because 40% of our economy is tied in to Europe. But these people will not change the structural system or the labour laws.

The EU representatives are talking and talking, but they are doing and doing nothing, and as a result, this black hole, whether Greece, Italy, Spain or wherever else in the EU, is condemned to getting deeper and blacker, simply because there is no realisation of where the money comes from in the first place. That is the problem at the root of this multi-annual financial framework. The whole project is based on a con trick of monumental proportions. They believe that they simply need to spend money on infrastructure and bridges—I would like to know where the contracts are going and how they are composed—but that does not solve the problem of the small businesses that simply cannot operate in the kind of environment that Europe now represents. That is all I need to say. This is a dead parrot.

4.42 pm

Mr Nigel Dodds (Belfast North) (DUP): It is always a pleasure to follow the hon. Member for Stone (Mr Cash). I well recall when the House, not that long ago, passed an amendment in his name under which there was to be no annual increase in the EU budget. It was a wise amendment, and I was delighted that the House supported it.

I want to reflect on what happened last year—the Financial Secretary mentioned this—when the proposal was for a 6.2% increase in the annual budget. Despite all the tough talk, we ended up with an increase of 2.9%—at a time when budgets are being slashed in many areas vital to our constituents—and people were mystified about why, after all the tough talk, we had agreed to an increase. Today the Financial Secretary has spoken those dreaded words—"qualified majority voting"—and I am worried that we will end up in a similar position this year, despite all the tough talk. I am particularly concerned because I recall the tough talk not just on last year's increase, but when the question of the European External Action Service came before the House and we were told that it would mean no increase in the budget. It transpired, however, that there would be a £400 million spike increase in the budget for that.

I was also worried when I saw that, after the European Parliament debated the matter on 26 October in Strasbourg, 52 of the 120 MEPs who voted against the annual increase were UK Members. It does not augur well for gathering together a coalition of those who are prepared to stand against this increase, when more than 420 MEPs voted for it.

I am glad to say that the Democratic Unionist party Member of the European Parliament was among those who voted against, and I am delighted that, on this occasion, every single member of the UK delegation to the European Parliament who actually voted, voted against. I have to note, however, that five Lib Dems, one Plaid Cymru Member and two Greens abstained, which I think is amazing on a vote that attracts such consensus in this House. I am sure that their colleagues here will want to ask their European colleagues exactly why they decided to abstain rather than vote against.

The proposal for an increase of £834 million in the UK contribution, which would bring our overall contribution to more than £14 billion indicates just how out of touch are the Eurocrats and many in the European Parliament. It also illustrates why we need a referendum on our relationship with the European Union. We have a situation in this House today where we are going to agree to what I think is an excellent motion signed by many excellent Members and it will be passed unanimously. People in the country will think, "That's it, then. The sovereign Parliament of the United Kingdom has declared its position." Yet, there have been hints, and the Financial Secretary is already paving the way for a further statement at some point, about some increase because we are subject to a qualified majority voting process. We are not masters of our destiny in respect of something as vital as the spending of almost £1 billion of taxpayers' money.

That goes to the heart of the debate about our relationship with Europe: the incapacity of this House, of Members on all sides, even when they agree, to implement something on which the vast majority agree—virtually everyone apart from a few Lib Dem and Green MEPs, it appears—and yet we cannot do anything about it. This illustrates far more eloquently than anything any of us could say why we need this referendum sooner rather than later, so that we can address these fundamental inadequacies in the entire process, which leaves us sitting here today, talking about an issue, passing resolutions but powerless in this sovereign Parliament to do anything about it. I hope that the Government and all Members will take that on board.

4.47 pm

Richard Drax (South Dorset) (Con): What a pleasure it is to follow the right hon. Member for Belfast North (Mr Dodds). It is an honour, indeed, and I entirely agree with everything he said.

It is encouraging to hear our Front-Bench team mention words such as "resolve"—a word that seems to have disappeared from the English dictionary for a while. I wish they would follow up their words with action. What further evidence do we—the Government, the country, the world—need to see to show that this whole federalist nightmare is not working? It is undemocratic and corrupt.

I have people in my constituency who are trying to borrow £10,000, £20,000 or £30,000 to keep their businesses and jobs going. They simply cannot get it. Yet we are prepared to give Greece—and, I suspect, Italy—billions and billions of euros to a cause that is lost. It is quite beyond me, quite beyond my constituents and quite beyond most people in this country.

Both motions being debated today will, in their own ways, grant further powers and resources to the EU —despite our best intentions. We have heard that the Government have succeeded in reducing the annual budget increase from 2011 from 6% or thereabouts to 2.9%. I welcome that. Like my hon. Friend the Member for Stone (Mr Cash), I hope that it will remain at that level.

As to the multi-annual financial framework, these words are marvellous, are they not? The MFF—a slip of the tongue could get one into all kinds of trouble—now commands our attention. I am relieved that the European Scrutiny Committee has recommended that these documents are seen in this House. Only here can such decisions be taken. The absence of precise details about the Commission's proposal is concerning, and I note that because of that absence, the European Scrutiny Committee has suggested that we focus on the Commission's expenditure ambitions and revenue proposals.

The Government estimate that the overall MFF budget represents an average increase of £13.5 billion a year over the period. The UK contribution to the MFF between 2014 and 2020 is provisionally estimated to be 14.5% pre-rebate and 11.5% post-rebate. I agree with the Government that such extravagance is completely unacceptable, particularly when the level of public debt in member states will be 50% more than it was in 2007. The Commission argues that much of the increased expenditure is already committed to EU-wide projects, and suggests that there will be no increases in administration costs. That is hard to believe, given that the Government identified £1.1 billion of administration costs in this year's budget alone. I am glad to hear that there is no possibility of the UK's agreeing to the level of expenditure contained in these documents.

The revenue proposals are equally serious. For obvious reasons, the EU's ultimate aim is to finance the budget entirely from so-called "own resources"—which are, of course, nothing of the sort, and will become so only after the EU has levied a series of new duties, taxes and tariffs on member countries for its own benefit. The documents suggest a financial transaction tax, a financial activities tax, the auctioning of revenue from the EU emissions trading scheme, an air transport tax, a new VAT, an energy tax, and an EU corporate income tax. That is utter madness. It is for us in this House to decide issues of national sovereignty. The European Commission deludes itself in stating that such measures do not affect our right to rule ourselves. Document 12478/11 states:

> "It should also be stressed the proposals for new 'own resource' have no impact on national sovereignty."

I strenuously disagree.

Finally, there is the question of the rebate. Perhaps most important is the suggestion that the current financing system must

> "simplify the existing correction mechanisms".

In plain English, that means the UK rebate, which is now in the Commission's sights. Our relative prosperity is held against us, as is the open-ended nature of the rebate, but without it our net contribution to the EU as a percentage of national income would be twice as large as France's contribution and 50% larger than that of Germany.

In these dying seconds, I urge the Government please, please to begin to stand up for our country and our future.

4.52 pm

Mr Denis MacShane (Rotherham) (Lab): I stand as a resolute Thatcherite on this question. In 1940, Polish pilots came and grappled with the enemy, getting much closer than our pilots while risking their lives, and shooting down proportionally many more planes. Forty years later, Polish Solidarity helped to dig the grave of European Communism. What is our response? Today Poland is the fourth larger contributor to the UK rebate, despite being a much, much poorer country.

That is why, in the 1980s, the Prime Minister—now Lady Thatcher—was happy to see Britain's contribution to the European Community budget, as it was then, rise from £656 million in 1984 to £2.54 billion in 1990. During the same period, the EC budget grew threefold. When taxed by Labour Members of Parliament—including my right hon. and good Friend the Member for Blackburn (Mr Straw), who said, "She has come back from Brussels, hauled down the Union flag and hauled up the white flag of surrender to Europe"—the Prime Minister said "No, no, no: we must help our new friends and encourage growth in the economies of the countries that are joining Europe." Well, we are a different Britain now. We do not like the Poles, and we do not like Poland. We are saying to the Poles, "Keep signing a very large cheque for our rebate."

There has been much talk about unaccountable transfers of money. May I draw the House's attention to one very unaccountable and huge transfer of money? I refer to the £40 billion that it is proposed that we should give to the International Monetary Fund, which is unaccountable and secretive and whose staff salaries make the average EU salary look like pauper's pay. That sum—£40 billion—is more than the entire amount raised in corporation tax in Britain each year. It is bigger than the combined budgets of the Foreign and Commonwealth Office, the Ministry of Defence, the Department for International Development, the Department for Culture, Media and Sport, and all Departments except for the big spenders who have responsibility for costly areas such as the NHS and social security. We are happy to send that £40 billion to Washington with barely a nod or a debate in this House, but it is a far bigger sum than any amount being imposed in respect of Europe.

I agree with the points about maintaining budget discipline, but I ask the Minister to confirm in his winding-up speech that from 2014 to 2020 the EU budget is due to increase by 11%, which is a rise of well under 2% per year—far below current inflation rates in this country. I have every sympathy with the Minister, because I have done some of this work in Europe myself and, frankly, dealing with EU budget questions makes the Rosetta stone translation look like child's play.

The bottom line is that the EU budget will not go above 1% of Europe's gross national income because it cannot do so. There are debates to be had about how this money should be spent, and 85% of it comes straight back to nation states, including Britain, to spend on agriculture subsidies and structural and regional funds. If we did not have a common agricultural policy, we would have to have a British agricultural policy, and

[Mr Denis MacShane]

I can assure colleagues that our farmers' lobby would extract a far bigger share of taxpayers' money than it does under the CAP.

Martin Horwood (Cheltenham) (LD): Will the right hon. Gentleman give way?

Mr MacShane: No, because I want to conclude.

This is not just a European question. The signal we are sending around the world is that we are open to business but are closed to foreigners, and that we want inward investment but want to disconnect from Europe. We are sending a very negative and dangerous signal that we do not like the biggest single market in the world and we do not want to be full partners with the rest of the 500 million people living under the rule of law and democracy.

I understand Front-Bench colleagues' interpretation of the Robin Hood tax—the fair trade tax—but I feel a lot happier in the current economic crisis standing with the spirit of St Paul's rather than the spirit of bean counters.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Many Members still wish to speak, so I ask Members to be as brief as possible.

4.57 pm

Mr Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the right hon. Member for Rotherham (Mr MacShane), although I did not agree with a single word he said.

I rise to support the motion in the name of the Financial Secretary to the Treasury, which is signed by me, my hon. Friends the Members for Kettering (Mr Hollobone), for Bury North (Mr Nuttall), for Basildon and Billericay (Mr Baron), for Worthing West (Sir Peter Bottomley), for Brigg and Goole (Andrew Percy) and for Harlow (Robert Halfon), and my right hon. Friend the Member for Wokingham (Mr Redwood). It is disappointing that no Member from Her Majesty's official Opposition or any Liberal Democrat felt able to sign the motion. How can anyone disagree with a motion that says that the EU budget proposed by the Commission is

"completely unacceptable and an unwelcome distraction from the pressing issues that the EU needs to address",

that declares it

"supports the Government's ongoing efforts to reduce the Commission's proposed budget",

and that states that

"the Commission's proposal for very substantial spending increases compared with current spend is unacceptable, unrealistic, too large and incompatible with the tough decisions being taken in the UK and in countries across Europe"?

Martin Horwood: Will my hon. Friend give way?

Mr Bone: No, I am not giving way.

How can anyone disagree with a motion that states that the

"proposed changes to the UK abatement and new taxes to fund the EU budget"

are "totally unacceptable"?

Why on earth did Opposition Members and our Liberal Democrat coalition colleagues not support the motion? May I suggest that Labour did not do so because of embarrassment, as—

Martin Horwood: Will my hon. Friend give way?

Mr Bone: I am not giving way to anyone, because I want other hon. Members to have a chance to speak later.

Martin Horwood *rose—*

Mr Bone: I must go back to talking about Labour, and I suggest that its approach arises from embarrassment, because in its 13 years in power it rolled over to each and every command put to it by the European Union. The lack of Members on its Benches just goes to increase Labour's embarrassment. Labour does not understand how a Government could put British interests first and stand up to the European political elite. I suggest that the approach of our Liberal Democrat partners does not arise out of embarrassment; it arises because they love European bureaucrats spending British money without any proper democratic accountability to the British people. If the Lib Dems had their way, we would be in the euro and in a complete financial mess. Of course they represent 8% of the British electorate, but they are likely soon to be overtaken by the United Kingdom Independence party, which is at 6% in the polls.

We have a British bulldog of a Prime Minster who is taking the fight to Europe and putting British interests first, second and third. At least on the Conservative Benches there is unity on wishing the Prime Minister success in reducing the budget. We have a superb Minister, and we want the message to go out that our Prime Minister is going to Europe to get a reduction in the budget and to explain to the Europeans that they cannot spend and spend and spend. My speech goes on to say that "the Deputy Prime Minster thinks"—well, actually that is where it ends.

5.1 pm

Stephen Williams (Bristol West) (LD): I am glad to have the opportunity to speak, especially after that generous build-up. We are having a curious discussion. We have had many European Union discussions in the past few months, and I cannot recall my hon. Friend the Financial Secretary being received with such warm accolade on every occasion as he has been on this one. I am sure that must have cheered him. We saw the curious alliance of Conservative Eurosceptics and Labour Eurosceptics when there was discussion of the possible demise of the eurozone. However, on this issue we might actually have tri-party agreement. May I assure my hon. Friend the Member for Wellingborough (Mr Bone), even though I am a Europhile within the Liberal Democrats—that phrase must make him shudder—that my party has usually been at the forefront of calling for reform from within the European Union? We do that because we want the European Union to work. We want it to be a success and we are certainly not blind to its shortcomings.

Chris Leslie: Will the hon. Gentleman therefore confirm that Fiona Hall, the leader of the UK Lib Dems in the European Parliament, posted an article on 15 July that said:

"It's time to consign the UK rebate to history, along with the rest of Thatcherism"?

Stephen Williams: That is not a position of this coalition Government at Westminster. As a good democrat, the hon. Gentleman will recognise that decisions that we make in local councils or in the European Parliament, where people have their own electoral mandates, do not bind parliamentarians in this House. That is the way in which our democracy works and we take a different stance on the matter here.

The European Commission has asked for a 5% budget increase, from €966 billion to just over €1 trillion, for the second half of this decade. Most of our constituents would find it extraordinary that a request is being made for the EU budget to wax while people in every member state are having to endure the waning of their budgets. It was right that last December five large net contributors to the EU budget—the UK, Germany, France, the Netherlands and Finland—called for a freeze in the EU budget for the second half of this decade. I would like the Minister to tell us whether the Government are seeking a cash freeze or a real-terms freeze.

Whatever the level of the budget, it certainly is a budget in drastic need of reform. The common agricultural policy still accounts for more than 45% of the European Union's spending, whereas research and development accounts for only 6.7%. The Commission is actually proposing a switch between those budgets, but that switch is made possible only by the Commission's call for a larger budget. It is simply ludicrous for the European Union to continue to have agriculture as its largest area of expenditure, rather than the industries of the future—industries where the UK is well placed. We are currently the largest recipient of EU funds for research and development, and that is the budget that should be expanded. The priority for the United Kingdom coalition Government should be to negotiate a major shift within the EU budget and certainly within the existing level of resources. To clarify the issue for the hon. Member for Nottingham East (Chris Leslie), I say that our budget rebate should remain while the EU budget remains in its current unreformed and out-of-date state.

On sources of revenue for the European Union, I share the sentiments expressed by the Opposition Front-Bench team that it would not be right for the EU to take on the personality of a federal state and have taxes paid directly to it, whether that be VAT or the proposed financial transactions tax. There is a very good case for a financial transactions tax being levied once we can have international agreement among the global financial centres, many of which lie outside the European Union, but there is no case at all for the European Union itself to pinch that money, which the people who have campaigned for the Robin Hood tax have earmarked for other purposes. May I reassure my colleagues that the Government are right to call for a freeze in existing EU budgets? However, they should also vigorously press the case for reform.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. There are three speakers and eight minutes.

5.6 pm

Jacob Rees-Mogg (North East Somerset) (Con): It is a great pleasure to follow my hon. Friend the Member for Bristol West (Stephen Williams). I am tempted to say that there is more rejoicing in heaven over one sinner who repenteth than over the 99 who are not in need of repentance.

I have very little time, so I shall address the veto briefly. It is crucial to be clear that there is a veto on the multi-annual financial framework, which applies from 2014, but not on the annual budgets between then and now. The Government are therefore in a very strong negotiating position for that framework but not necessarily for the annual budgets. They are also in a very strong negotiating position regarding the own resources issue, which is also subject to the veto.

I must confess that I rejoiced at the Minister's speech because we have been hearing for the first time since 1997 a proper and solid view on how we should interact with our European friends and neighbours. However, there is one issue to which I should like to alert Her Majesty's Government. The budget is drawn up in euros and we have to be careful about what currency that might actually be in the lifetime of the budget. It is of concern to me that the euro might collapse between now and the end of the budget, and that if it were to be a German euro it could be substantially higher in sterling terms than the current euro. We ought therefore to get some acknowledgement of the currency risk in any budget negotiations so that we can protect our position in sterling. That really is a crucial point.

I want to mention own resources, because, as my hon. Friend the Member for South Dorset (Richard Drax) said, they are not own resources. As Margaret Thatcher once said, it is our money, and we must not let the EU get at our money if we need it for our own purposes.

Finally, as time is short and you want me to wind up, Mr Deputy Speaker, let me mention the financial transactions tax. This is the work of the devil and it must be opposed. We have heard a lot of wishy-washy stuff about "If we get global agreement." Well, thank God for Lee Kuan Yew, because I think we can be confident that the good people of Singapore will say no to this awful nonsense. A financial transactions tax would not tax invisible, non-existent people: it would fall on the citizens and subjects of the United Kingdom. We must oppose it. We must be robust in opposing it and we must not let the European Union get its grubby little hands on it.

5.8 pm

Andrew Percy (Brigg and Goole) (Con): It is a pleasure to follow my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg), who made a fantastic speech. I wanted to address the dangerously pro-European speech of the right hon. Member for Rotherham (Mr MacShane), but sadly he has left the Chamber. We heard from him the usual nonsense about how anybody who opposes the European Union in some way hates foreigners, which is not the case at all. I was going to say to him that he should ask the people of Rotherham what they want their money to be used for and put that to a referendum. They might keep re-electing him out of some sort of strange fondness, but I strongly suspect that they do not agree in the slightest with his views on the European Union.

I was intrigued by the words of the hon. Member for Nottingham East (Chris Leslie). Obviously, we on the Government Benches are most grateful for his support

[Andrew Percy]

for the motion. I was not quite sure whether he was suggesting that, had he been here during the previous Parliament, he would have made sure that the rebate that the previous Government gave away without any reform would not have been given away. He certainly seemed to be making a pitch for a better job, if nothing else.

I was happy to sign this motion for the simple reason that I listen to the constituents of Brigg and Goole. I am not the brightest individual, as anyone who has heard my speeches will confirm, and I have not read through all the relevant documents. However, when I speak to my constituents about what they want to have done with their money, they tell me that the last thing they want is for it to be sent off to an institution with massive bureaucracy whose accounts have not been signed off for 16 years, only for large parts of it to be spent elsewhere. I am a passionate advocate of our withdrawal from the European Union, and I have listened to my constituents. Following the recent vote, I received hundreds of messages telling me that I had done the right thing, and only one from an individual telling me that I had done the wrong thing—

Mr Bone: That was a Whip!

Andrew Percy: No, it was a constituent who informed me that we could not have a referendum on the European Union because the people do not understand the arguments—the usual patronising guff that comes from pro-Europeans.

I fully support the motion, which is why I put my name to it, but we should be going much further. Apart from leaving the European Union, we should be going much further while we are in it to ensure that our budget contribution is substantially reduced. My constituents simply cannot understand why an ever-increasing amount of their hard-earned money is being sent off and spent by that institution.

Andrew Bingham (High Peak) (Con): Does my hon. Friend agree with my constituents who have written to ask me why the European Commission just does not get it? They point out that, when they are keeping their own budgets under close control, the Commission should be doing the same, instead of proposing these continual increases.

Andrew Percy: Yes, I do.

5.11 pm

Mr David Nuttall (Bury North) (Con): As ever, it is a great pleasure to follow my hon. Friend the Member for Brigg and Goole (Andrew Percy), who speaks straightforward common sense. I also rise to support the motion. We have had a good debate, and I want to make some brief points.

First, we must not lose sight of the fact that, under the proposed new EU budget, there remain very few net contributors to the budget. Perhaps if more EU nations contributed to it, the EU might become a more prudent organisation. Secondly, I agree with the wording of the motion that states that the Commission's proposal for an increase is

> "unacceptable, unrealistic, too large and incompatible with the tough decisions being taken in the UK".

Those words would be a good candidate for the winner of the understatement of the year competition.

The Government state, in paragraph 97 of their explanatory memorandum on the EU budget, that their provisional estimate of the UK contribution to the next EU financial framework is 11.5%, after the UK rebate has been taken into account. The Commission's proposed ceiling for EU payments within the financial framework over the period from 2014 to 2020 is €972 billion, so a UK contribution of 11.5% on that level of EU payments would see this country paying in almost €112 billion, which is about £96 billion at an exchange rate of £1 to €1.6.

Mr Cash: Is my hon. Friend aware that, according to the European Commission's proposal for the lump sums "adjusted for relative prosperity"—the annual lump sums relating to the period from 2014 to 2020—Germany's would be adjusted to €2.5 billion and the United Kingdom's to €3.6 billion, which is more than Germany's?

Mr Nuttall: No, I was not aware of that, and I am grateful to my hon. Friend for bringing it to the attention of the House.

This country will need to contribute about £70 billion to the EU budget during the Parliament that will run from 2015 to 2020. Finally, the EU is proposing a substantial extension of its ability to collect its own revenues by introducing new, EU-wide taxes—the so-called own resources decision. It is also proposing a new, dedicated EU VAT and a new financial tax. And, just to rub it in, it is proposing to end the UK's rebate.

EU officials should spend more of their time ensuring that eurozone nations start to live within their means and less time devising new ways to tax my constituents. The EU wants to spend more and wants the UK to pay more. The EU wants to scrap the UK rebate, and the UK wants to bring in new Euro-taxes. To each of these, and to echo the words of Baroness Thatcher, it is absolutely right that our Government should say no, no, no.

5.15 pm

Mr Hoban: This has been a helpful debate. It is good to see that harmony has broken out on the EU budget—something that some of us thought was unlikely. There has been a clear expression of view across the House that the EU Commission's proposals for increases, not just in the 2012 budget but in the multi-annual framework, are excessive and need to be curbed. I welcome the support for the Government's approach to building a coalition of allies to curb the increases and seek to restrict the increase in budget to no more than a freeze in real terms.

I want to correct the misconceptions of one or two Labour Members. The hon. Member for Nottingham East (Chris Leslie) lectured us on the need to stay firm on the rebate. That was an extraordinary position, given what happened under the previous Government. He said that the UK rebate had gone up in cash terms since the 2005 deal, but let me tell him that the OBR's forecast says that, thanks to the giveaway by the previous Government, our rebate falls from £4.2 billion in 2009-10 to £2.7 billion in 2010-11. That is the cost of having a Labour Government in office when these debates are being held in Europe.

The right hon. Member for Rotherham (Mr MacShane), who I notice is not in his place, said that Poland was the fourth largest contributor to the UK abatement. Well, he should get his facts right; it is actually the sixth largest. But of course Poland is the largest net recipient of funds from the EU, and our support for developing the Polish economy far exceeds its contribution to our rebate.

In this settlement, we are looking for a rebalancing of funds to help economic development in those accession countries to give a spur to the economy, and that is in the long-term interest of the UK economy. The right hon. Member for Rotherham said that the EU budget was capped at 1% of EU gross national income. It is not. If one looks at what is on and off-budget, one sees that on average, over the course of the financial framework, EU spending is 1.11% of European GNI, in breach of that condition. He and the hon. Member for Swansea West (Geraint Davies) were also misled by the presentation of the numbers. It is clear, and the information in our report demonstrates clearly, that the EU Commission proposes a real-terms increase in spending, and that is simply unacceptable when countries across the EU are trying to curb their deficits and tackle their public spending.

We will take a tough line in the negotiations on the budget and the financial framework. We want to ensure that Europe lives within its means rather than seeking to expand its means with new taxes and expanding its own resources. Europe should spend the money it has wisely and well. I hope that the House will support the motion before it today.

Question put and agreed to.

Resolved,

That this House takes note of European Union Documents Nos. 12478/11 and Addenda 1 and 2, 12474/11, 12480/11, 12483/11, 12475/11 and Addenda 1 to 3, and 12484/11, relating to the Commission's proposal on the next Multiannual Financial Framework (MFF), 2014-20; agrees with the Government, that at a time of ongoing economic fragility in Europe and tight constraints on domestic public spending, the Commission's proposal for very substantial spending increases compared with current spend is unacceptable, unrealistic, too large and incompatible with the tough decisions being taken in the UK and in countries across Europe to bring deficits under control and stimulate economic growth, that the next MFF must see significant improvements in the financial management of EU resources by the Commission and by Member States and in the value for money of spend and that the proposed changes to the UK abatement and new taxes to fund the EU budget are completely unacceptable and an unwelcome distraction from the pressing issues that the EU needs to address; and supports the Government's ongoing efforts to reduce the Commission's proposed budget.

Credit Institutions and Investment Firms

5.18 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): I beg to move,

That this House considers that the draft Regulation on prudential requirements for credit institutions and investment firms (European Union Document No. 13284/11 and Addenda 1-4) does not comply with the principle of subsidiarity for the reasons set out in the Annex to Chapter 1 of the Forty-second Report of the European Scrutiny Committee (HC 428-xxxvii); and in accordance with Article 6 of the Protocol on the application of the principles of subsidiarity and proportionality, instructs the Clerk of the House to forward this reasoned opinion to the presidents of the European institutions.

I am pleased to have the opportunity to discuss the European Union's proposals on prudential requirements for the financial sector, and I welcome the Scrutiny Committee's thorough report on the issue. I find myself in a slightly odd position today, in that the motion before us today, which stands in my name, was tabled by the Committee. The Committee has done a fantastic job in identifying this issue around subsidiarity, and we shall be supporting the motion.

Mr William Cash (Stone) (Con): Will my hon. Friend give way?

Mr Hoban: I am one minute in to my speech and my hon. Friend wishes to intervene. I am happy to give way.

Mr Cash: My hon. Friend would need to be only half a minute in for the point that I am about to make. There are some recommendations sculling around in the Procedure Committee and the Liaison Committee that the Minister would not necessarily have to reply to the questions put forward by the European Scrutiny Committee and by the Chairman. Is my hon. Friend aware of that?

Mr Hoban: I am indeed aware of that and I think it is a good thing. Although my hon. Friends and I see eye to eye on many of these issues, there may be an occasion when a reasoned opinion is put forward which the Government do not quite agree with. That would put the Government and the Committee in a strange position.

I agree with the Committee that the Commission's co-proposals on prudential requirements raise serious concerns over subsidiarity and, as drafted, the proposals seriously undermine the efficacy of the Basel reforms in the EU. As argued in the Committee's report, the proposals for maximum harmonisation will severely restrict the ability of member states to conduct macro-prudential policy. They limit the ability of member states to respond to the unique characteristics and risks of their market, and where necessary, go beyond minimum standards to ensure financial stability in their own jurisdiction.

We cannot risk being straitjacketed into a one-size-fits-all approach in setting prudential levels. Across Europe, no two financial systems are the same, and in a system where euro area banks face the same centrally set interest rate, it is even more important that member states retain the flexibility to use other tools for financial stability. Let me deal with these issues in a little more detail.

As hon. Members are aware, the Commission's proposal on prudential requirements is the mechanism by which the EU will implement the Basel III agreement to strengthen

[Mr Hoban]

capital requirements and introduce minimum liquidity and leverage standards, changes that are absolutely necessary to correct the failures that preceded the latest crisis. Basel III is an ambitious agreement, a strong demonstration of collective endeavour and ambition, and an agreement that will fundamentally reform the global financial system. As we agreed with our international counterparts at the G20:

> "We are committed to adopt and implement fully these standards".

There are those who would seek to use current economic circumstances to row back from full implementation of Basel III—those who argue that full implementation would undermine growth at a time when we need to do everything we can to support a global recovery. We disagree. At a time of instability and at a time when bank balance sheets are under intense scrutiny and pressure, now is not the time to row back from strengthening those balance sheets. Stability is in itself a vital precondition for growth, and Basel III sets out the vital reforms that we need to increase stability in the banking sector.

Earlier this year the Commission published its draft regulation on prudential requirements for the financial sector. Despite the G20 commitment to implementing Basel III in full, the draft regulation deviates from that agreement in crucial areas. In doing so, the proposals significantly dilute the minimum standards agreed internationally for global banks and increase the taxpayer's potential exposure to future losses. As the Scrutiny Committee highlights, the draft regulation also seeks to embed maximum harmonisation of prudential requirements.

I share the Committee's concern that the draft regulation will severely limit the ability of member states to conduct macro-prudential policy, and where necessary, go beyond minimum standards to ensure financial stability in their own jurisdictions. We believe that it remains the case that member states are best placed to identify risks to financial stability in their jurisdiction. This is particularly the case when it comes to taking action concerning their own financial stability. Given the considerable experience, expertise, information and knowledge available to member states, it is difficult to see how the Commission can be considered to be better placed to assess macro-prudential conditions, systemic risks and appropriate policies for each member state than the member states themselves.

Furthermore, it is not clear that the Commission would be able to respond faster than the competent authorities of member states to risks as they arise. Therefore, I share the Scrutiny Committee's concern that the inclusion of article 443, which contains a delegated power for the Commission to adopt delegated acts to impose stricter prudential requirements on member states, is entirely inappropriate. Not only is subsidiarity a matter of economic principle, but it is a matter of past experience. The financial crisis taught us that it is vital that national authorities retain discretion to react decisively and speedily to economic developments. It is vital that member states retain their flexibility to adjust prudential requirements to respond to emerging systemic risks and cyclical variations in economic activity, which, as we have seen in the build-up to the eurozone crisis, can be very large.

The crisis also taught us that we were not alert to those systemic risks, and not just at the firm level. It is vital that we are not caught out again. National authorities must retain the tools and flexibility to tackle those risks. Therefore, although Basel III provides an historic and coherent set of minimum standards, the ability to go beyond them if necessary and deploy macro-prudential policy to tailor our response to idiosyncratic macro-financial risks is in our vital economic interest.

We are not alone in making that judgment. The previous head of the European Central Bank, Jean-Claude Trichet, has said that

> "the Basel requirements are minimum, and they have to be considered as minimum."

Likewise, the IMF argued in its UK spillover report:

> "UK financial stability will be weakened (with adverse spillovers) if EU rules constrain UK financial regulations at insufficiently ambitious levels or if they limit the ability to use macro-prudential instruments to address emerging risks."

Retaining that flexibility will not, as the Commission has suggested, undermine our commitment to the single rule book. Of course, a single rule book helps to reduce the burdens on cross-border firms, but that cannot come at the expense of a member state's ability to implement higher prudential regulations. Instead, a single rule book that establishes harmonised definitions and minimum requirements would protect the flexibility to allow member states to adjust their prudential requirements as necessary, while at the same time helping to reduce burdens on cross-border firms.

Indeed, recommendation No. 10 of the Larosière report on financial supervision states that

> "a Member State should be able to adopt more stringent national regulatory measures considered to be domestically appropriate for safeguarding financial stability as long as the principles of the internal market and agreed minimum core standards are respected."

It is interesting that we have an agreement here. My hon. Friend the Member for Stone (Mr Cash), Jacques de Larosière, who is the architect of the financial regulation, and the Government all agree with that we must have the flexibility to go further if that is appropriate.

I believe that we have a once-in-a-lifetime opportunity to reform financial services and ensure that we embed a system that works in the interests of consumers and underpins stable and sustainable economies. The Government have neither dithered, nor delayed in implementing fundamental reform of our financial sector and our system of regulation. We are reforming the failed tripartite system, leading the debate on the future of the financial sector through the Independent Commission on Banking and leading the international agenda for full and fundamental reform across the global financial system.

At a time of instability, the European Commission will inevitably come under pressure to delay, obfuscate and pander to vested interests across the EU that want to soften standards. It is critical that the Commission stands firm against those pressures and, with respect to the prudential requirements legislation, implements the Basel agreement in full. We must ensure that the Basel requirements are implemented as harmonised definitions and minimum requirements, not a maximum, that member states have the flexibility to respond to the unique risks and characteristics of their own markets, and that we implement regulations that are effective, credible and consistent. I commend the motion to the House.

5.28 pm

Chris Leslie (Nottingham East) (Lab/Co-op): The capital requirements directives have sought to translate the proposals of the Basel Committee on Banking Supervision and apply them across the EU. Today's proposal, CRD IV—another acronym that is familiar to many of our constituents—attempts to update those arrangements so that they fit the circumstances of today's banking system and learn the lessons of the global financial crisis. As the Minister said, no one disagrees that the quality and quantity of capital that banks hold in order to absorb losses should be increased, and there is broad consensus on that.

CRD IV will make four changes. It will, first, introduce sanctions to ensure that all EU banks comply; secondly, prevent over-reliance on credit rating agencies, which should not substitute for proper internal due diligence; thirdly, improve corporate governance in the banking sector; and fourthly, address the pro-cyclicality of lending, which can accelerate the expansionary tendencies of an economic cycle. The difficulty comes when the Commission proposes "maximum harmonisation" in order to achieve a single EU rule book for banking, preventing member states from setting higher standards beyond the levels proposed in the directive.

I am aware that many City institutions also favour a harmonised international approach to regulation, but such an approach could render many of the recommendations of the Vickers commission, for example, redundant as we would simply be unable to introduce tougher standards here in the UK. The EU says that the directive is to prevent a race to the top, but we need to ensure that our financial services industry—by far the largest and most systemically important of any EU country—has a regulatory system that can protect UK taxpayers and UK consumers. After all, when domestic banks fail, domestic taxpayers have to come to the rescue, so we need domestic regulation that has the room and flexibility to go beyond any internationally agreed minimum standards.

Mr Cash: The hon. Gentleman acknowledges, I am sure, that the real reason why we are in the situation we are in—I shall make a short statement about it later on behalf of the European Scrutiny Committee—is that we have transferred such jurisdiction to the European Union. As I said in a letter to the *Financial Times* the other day, we are fighting back against the background not only of the City having moved against the proposals, but of our having opened the sluice gates and allowed it to happen.

Chris Leslie: The hon. Gentleman's work on the European Scrutiny Committee has been useful in respect of the proposals before us, and it would have been helpful if the Minister had clarified where we stand in terms of qualified majority voting versus any veto options that we might have. I would be grateful if the Minister could set them out.

Mr Hoban: The regulation and the directive would come in through QMV.

Chris Leslie: Which proves the point that we need to ensure that we negotiate firmly.

The motion before us is worded correctly. It focuses very much on subsidiarity, and on article 443 and the proposals that would give the Commission the right to vary national regulations, even though it would prevent member states from changing their own rules beyond the maximum harmonisation arrangements—a step, I believe, too far. I agree with the draft reasoned opinion and, therefore, with the motion that the Clerk of the House forward this view to the presidents of the European institutions.

Article 443 does indeed go too far, and it would not be appropriate. Paragraph 18 of the European Scrutiny Committee's report sums that up well, stating there is no evidence to prove that

> "the Commission is better placed than the competent authorities of Member States to address national prudential concerns. Indeed, there is a strong argument to say that national authorities are not only better placed, but can react more quickly than the Commission can by means of delegated legislation, thereby enhancing financial stability."

Graham Stringer (Blackley and Broughton) (Lab): Does my hon. Friend agree that the Commission almost certainly knows that it would not be better at that than the regulatory authorities, and that what is behind this regulation is an attack on the City in order to up the game of Frankfurt and Paris? It must be resisted at all costs. It is much more malevolent than just a bureaucratic mistake.

Chris Leslie: It is difficult to ascribe motives to the Commission in all circumstances. My hon. Friend may well be right, but then again I have also talked to some of the City's large banking institutions, which have in some ways argued in favour of harmonisation, so it is a mixed picture. I agree with the Government on the point before us, however, and it is important that we stand firm and retain the flexibility of higher standards if we possibly can.

Kelvin Hopkins (Luton North) (Lab): Is it possible that those banks that seem to favour harmonisation think that they might have an easier time under Europe-wide regulations than under more stringent regulations from the British Government?

Chris Leslie: My hon. Friend may well be correct. "Who knows?" is the ultimate question, but his cynicism has been proved right in the past and may well be right today.

The motion is a sensible assessment, and asking the Clerk to send a reasoned opinion to the presidents of the European institutions is absolutely right, but what happens next? Will the Minister set out in a little more detail the consequences of today's motion, and whether we would have any prospect of shaping our own financial regulatory agenda if, indeed, many of the changes in the directive went through regardless of the opinion that we sent? The mismatch between the Commission's view and the UK's position is only the tip of the iceberg or, to use a better metaphor, only the beginning of the story.

I am afraid to say that the Government's proposals for financial regulation have not been properly thought through and clash so much with European regulatory arrangements that they just will not be able to stand up adequately to their strength and power. Ministers knew very well that the EU supervisory institutions would be

[Chris Leslie]

split across thematic groups around banking, pensions and insurance, and markets. Yet according to the Minister's legislation, we are choosing to split our arrangements between prudential and conduct regulation.

I agree completely that we need a greater focus on prudential regulation, but there is a growing risk and increasing evidence that our UK institutions may leave us in a tangled mess unable to engage effectively with those very powerful EU structures. That concern is shared not only by Opposition Members, but across the City and other financial service sectors. If our voice is not adequately heard, we may be unable to be represented properly in the right meetings at the right time.

It is not just the Opposition who are saying that. Last year, the Financial Services Consumer Panel said that

> "the current European structure under the ESMA would be a poor fit with the proposed new UK arrangements and that this could potentially weaken the UK's voice in the European Union."

In September, the British Bankers Association said that

> "little has been related on how the regulators will go about ensuring…that UK representation around the European table is second to none. There has not, for example, been acceptance of the suggestion made by the industry that consideration be given to maintaining a single international secretariat across the relevant authorities as a common shared service and the establishment of cross-authority teams to ensure that UK representatives at the three European Supervisory Authorities and other European and international committees are in a position to draw upon all relevant expertise and knowledge."

The Association of Independent Financial Advisers—incidentally, I am attending its annual dinner this evening—said in September:

> "The AIFA is concerned that the twin peak approach to UK regulation is not consistent with the developing European sectoral approach. We must ensure that the UK system is able to efficiently interact with the European system and does not lead to significant confusion for regulated firms and cost inefficiencies, or damage the competitiveness of the UK."

Indeed, two weeks ago, the Chairman of the Treasury Committee, the hon. Member for Chichester (Mr Tyrie), said in a letter to the right hon. Member for Hitchin and Harpenden (Mr Lilley):

> "How will the PRA and the FCA co-ordinate their interaction with the new European Supervisory Authorities which do not neatly match the twin-peaks model—particularly where both financial stability and consumer protection outcomes may be considered together at an EU level? With an enormous amount of EU legislation under way, how will the EU regulatory authorities ensure that UK interests are represented with one voice?"

So there has been a barrage of anxiety about the Government's proposals and how the design of their domestic regulatory arrangements will fit with those European supervisory structures. The Minister has time to think about those matters before introducing the Bill. If we try to persuade EU regulators to comply with our approach to financial regulation retrospectively, it will genuinely be like shutting the stable door after the horse has bolted.

Mr Cash: The shadow Minister is perhaps being rather disingenuous when he says that the Minister may have time to think before the Bill comes through. I am sure the hon. Gentleman understands that, under the arrangements for the European Union, where a qualified majority vote is being applied and the measure becomes part of our law, we implement it under section 2 of the European Communities Act 1972. There is absolutely nothing we can do on the Floor of the House to reverse that unless we apply the provisions of my sovereignty arrangements notwithstanding the 1972 Act. It is about time we started to do so.

Chris Leslie: I am simply highlighting the anxieties felt across the City, the financial service sector and by many hon. Members, who are worried that we are stepping into a new set of financial service regulation structures domestically within the UK that are far away from those bodies we need to be influencing, steering and having our voices heard by. It may well be that we are stepping in the wrong direction. That is the anxiety I am voicing today.

Jacob Rees-Mogg (North East Somerset) (Con): I am very grateful to the hon. Gentleman for allowing me to interrupt his characteristically thoughtful speech. Given what he is saying, does he think that this would be a very good, if not ideal, area in which to repatriate powers?

Chris Leslie: I do not think it is wrong to try to have some level of co-ordination on financial services regulation across the EU. This is a global industry, and that is broadly sensible. However, we now know very well how those supervisory institutions of the EU are to be structured, and yet we are designing new arrangements for the post-Financial Services Authority world that do not match very suitably with those. There may be different approaches to how we can make the fit more effective and improve Britain's voice. However, there is genuine concern that even though we knew about these arrangements 18 months ago, the Government have not yet provided the capability to adapt the regulatory reforms to ensure that we do not lose influence—and, in fact, build our influence.

As regards the capital requirements directive, it is clear that for the time being we need to resist the Commission's challenge to proper subsidiarity and give our reasons for retaining national discretion to have safer and higher standards for financial regulation here in the UK.

We support the motion but hope that Ministers will take the opportunity to think more strategically about how best to address the structural mismatch between their proposed reforms and the European arrangements, because that risks marginalising the UK's voice time and again.

5.41 pm

Mr William Cash (Stone) (Con): Before I go into the question of subsidiarity, I want to raise some matters that relate to what the shadow Minister said. He made some extremely important remarks. I am sorry that our own Front Benchers did not address those questions, because they know that they are very much on my mind and have been for a very long time.

The Minister said I would be glad to know that he and Commissioner de Larosière were ad idem as regards the de Larosière report. I have to say that I have been anything but ad idem with Mr de Larosière and his report for three or four years. The moment I saw the report, I wrote a letter to the *Financial Times* in which I pointed out that it was a very dangerous move and that its consequences would lead to jurisdiction over the City of London being transferred to the European Union. With all due respect to the shadow Minister, his Government were in power at the time this was under discussion. He has been issuing strictures about negotiations, but I am not interested in negotiations when 20% of our GDP is at risk in relation to a legislative system that will completely and totally undermine and annihilate our ability to maintain that strength in the financial services sector. I directly blame the previous Government for their total failure to do anything about this.

I will go further. I also blame those on our side of the equation who allowed this to happen, because it is, at the very least, acquiescence in a system. Before the general election, my hon. Friend the Member for Ludlow (Mr Dunne)—my own Member of Parliament—convened a meeting in the Grand Committee Room relating to these matters. Some very distinguished people were present. There were people from the City of London, the City institutions and the City of London Corporation, as well as the rapporteur, or lady in charge, of the financial services arrangements for the European Commission. It was a very high-powered conference. Despite the fact that I put up a very strong case for ensuring that this nonsense, from our point of view, did not continue, I found—not unusually, I have to say—that I was completely and utterly outvoted. At least, I was out-manoeuvred by a number of people, not on the quality of their arguments but on the sheer force of their attitudes, which amounted to saying, "This is a global marketplace, this is what we have to do, we must engage in a situation where the rest of the world works together." We now hear the same talk about the dreadful proposal for a financial transactions tax.

The reality is that the City has woken up. The hon. Member for Nottingham East (Chris Leslie) mentioned the British Bankers Association. I have not examined every document that has come from these great and august bodies, but I fear that they did not do the right thing at the right time and that they allowed this situation to happen. The Government and the Opposition of the time went along with the idea that it would somehow be beneficial to the United Kingdom for it to be put in this peril—and peril this is. The House is fairly thinly attended this afternoon, but I venture to suggest that these documents, which are six inches high on just the one issue of European Union prudential requirements, are a dagger pointing at the heart of the City of London.

The Minister rightly said that the proposal severely undermines Basel. He said that we will negotiate firmly. However, as I asked the Prime Minister yesterday, how will the Government be able to do anything about it in the context of the fiscal union that they propose, which must include voting solidarity among the members of the eurozone, who have long wanted to take the City of London away from us, when this issue is governed by a qualified majority vote? I have taken the trouble to look this up and my best recollection is that there are 231 votes for the 17 members of the eurozone compared with 130 votes for the rest. We are in a permanent massive minority. That is what is going on. It is a kind of economic warfare. This is not just about Euroscepticism; this is an issue that goes to the heart of our capacity to deliver revenues and prosperity in this country.

There may well be cases for reform. I have great sympathy for those who think that the City has gone off beam recently in many respects, including on salaries, pay and remuneration. Some of those points are exaggerated, but some are justified. I think that we should go back to a system of regulation that is more along the old Quaker lines, whereby one knew what one's capital was and how to use it properly, and through self-regulation people who were out of line were put back into line by common consent. That is for another day, but I am deeply worried.

My hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) raised the question of repatriation. Why is it that I have argued consistently for the repatriation of powers, not just in social and employment legislation, which again is for another day, but in the kind of powers we are discussing? If the City of London goes down or is severely diminished, it will do nobody any good. Those who vote for the Labour party would also be affected because we need that money. For three and a half centuries, the City of London has been at the heart of our financial system and our revenue base. We cannot afford to have that money redistributed, like so much chaff, among the other member states.

Graham Stringer: The hon. Gentleman is making the powerful case, with which I agree, that this is malevolent legislation that is directed at undermining the City of London. I suspect he will agree with me that the Government should use the fundamental crisis at the heart of the European Union to be as brutal and as determined as possible in bringing back as many powers as they can, because the European Union is not a benevolent body when it comes to the UK's interests.

Mr Cash: I very much agree with the hon. Gentleman. The more I have heard from him over the past few years, the more I have admired his determination to speak the truth. That is the position. This is not a party game; this is serious and it is deadly. This move is determined and deliberate. That is what people need to know.

Roland Vaubel, the famous economist from Mannheim university, talks about the use of the qualified majority voting system in the Council of Ministers as a form of "regulatory collusion", and mentions the strategy of deliberately raising rivals' costs. Particular groups of countries—there are no prizes for guessing which—enter into arrangements behind the scenes, and vote accordingly. Both France and Germany use that system to their advantage, and as I said in the *Financial Times* the other day, we are being outmanoeuvred.

Despite all the time, money and effort being put into the Vickers report, there are, as the shadow Minister made clear, serious worries that Vickers may yet be undermined by the very proposals that we are discussing. The problem goes much further, but I do not need to enlarge upon all that any more.

Some people tend to sneer at the idea, which I occasionally put forward, that our sovereignty is the most important issue of all. I say that for one reason and one reason alone—it is only by exercising the sovereignty of this House on behalf of the British people that we have any chance of being able to return and repatriate powers if the other member states are not prepared to negotiate.

[Mr Cash]

I am prepared to listen to the Prime Minister telling me that he will fight hard, or whatever answer he gave me yesterday, but I remain totally unconvinced. We are at risk as a result of proposals such as these, so it is absolutely essential that we get things right. When I wrote a pamphlet for him—in fact, for the general public—called "It's the EU, Stupid", I set all that out, so I do not need to enlarge on it any further.

I have got out of the way the general points that I believe are necessary to put the whole matter in context. I see the Foreign Secretary laughing a little. I do not hold that against him, but I have to say that this is no laughing matter; it is a very serious question. We are reduced to having to argue about reasoned opinions and subsidiarity. Important though those are, as I have said, there is a dagger pointing at the City of London. Not just this particular draft regulation but an accumulated vast array of weaponry is being aimed at the heart of our economic system.

Mr Andrew Turner (Isle of Wight) (Con): Could my hon. Friend help by reminding me how much is owed to the City of London as a proportion of national income?

Mr Cash: It has been declining, and that is another reason for concern, but the latest figure is something of the order of 15% to 20% of our gross domestic product. Take that away, and where would we be? The draft regulation is a deliberate attempt to do that, and it is only one document of many.

The aim of the Basel Committee on Banking Supervision is to

"enhance understanding of key supervisory issues and improve the quality of banking supervision worldwide."

I hope that it succeeds. However, the various directives in question relate to the taking up and pursuit of the business of credit institutions and to capital adequacy, and they are collectively known as the capital requirement directive or CRD. They introduce a supervisory framework within the EU, designed, it is stated, to

"ensure the financial soundness of credit institutions (banks and building societies) and certain investment firms."

I take a slight interest in that, because my family founded the Abbey National building society back in the 19th century and the National Provident Institution in 1835. Those institutions were run on sound grounds and lasted until very recently, but have unfortunately now been mopped up as a result of some of the international goings-on in the financial sphere.

In 2011, the European Commission proposed a draft regulation—the document referred to in the motion—and a draft directive, known together as CRD IV. They would incorporate the Basel III agreement on prudential requirements for credit institutions and investment firms into EU law. How often have I said that the danger is that when a matter is transferred to EU jurisdiction, we lose control? Because of section 2 of the European Communities Act 1972, we cease to be able to control it. We hand over control of the drafting, method and interpretation of the law, and its effect on our own institutions, our own initiative and our own ability to be innovative and succeed.

The proposals are still before the European Scrutiny Committee, pending the receipt of further information from the Government. Meanwhile, the Committee has recommended that the House submit a reasoned opinion on the draft regulation to the European Commission, the Council of Ministers and the European Parliament. A draft is annexed to the Committee's report. I mention that because if enough member states issue a reasoned opinion, we will be able to stop the proposals. I strongly urge the Government to get as many member states as possible together, and I am sure they are doing that, if only to retrieve the situation as best they can.

Of course, as we all know, other member states will know what we are up to, and they will not enter into an arrangement to submit a reasoned opinion. We have seen that in the past—we do not get the requisite number of member states, and the proposal goes through. This is a test not just of the Government but of the integrity of the system. If a reasoned opinion is required because the Commission has exceeded its powers in relation to subsidiarity, nothing should prevent that from going ahead on an objective basis. I am not trying to pre-empt the decision, but I am anxious, on the grounds that I am about to mention, for other member states to understand that a reasoned opinion is necessary. It is in their hands to prevent the proposals from going through.

I turn now to the argument about the objectivity of a reasoned opinion. When the Commission makes a proposal for legislation, it is now required under the European treaties to produce a "detailed statement" that makes it possible to appraise the proposal's compliance with the principles of subsidiarity. I do not for a minute demur from what I said during the Maastricht debates—that subsidiarity was a con trick intended to establish hierarchies, not true subsidiarity. We shall see.

That detailed statement is not just a bureaucratic procedure for its own sake, although one might be forgiven for thinking that some in Brussels think it is. It is the principal means left whereby national Parliaments and electorates can assess the basis on which the Commission considers legislation to be necessary at supranational rather than national level. The presumption underpinning subsidiarity is that decisions are best taken as close to the citizen as possible. Amen to that, providing that it happens.

It is not sufficient to underline the importance of those detailed statements. I remind, or inform, the House that no piece of European legislation has ever successfully been challenged in the Court of Justice of the EU on the grounds that it breached subsidiarity. Not one. That sends a very powerful message. There is not a little suspicion, therefore, that subsidiarity is just something to which lip service is paid. It strikes the democratic gong, but is not followed by any lunch. One of the jobs of national Parliaments—that is us here in the Chamber—is to try to change that position.

Kelvin Hopkins: I suggested yesterday in European Committee A that, as the hon. Gentleman suggests, subsidiarity has not functioned well. In fact, I do not really understand it myself. I suggested that it was a political decoration, to overcome a difficulty. The reality that I would understand is opt-outs and opt-ins, with member states having the independence to do what they thought was right for their interests.

Mr Cash: I very much agree. All that I can say is that on this occasion, there will be a very good test of whether subsidiarity can win the day. Let us see.

Given the importance of the detailed statement, the treaty makes several stipulations about what it should contain, which include an

> "assessment of the proposal's financial impact…in the case of a Directive, some assessment of the proposal's implications for national and, where necessary, regional legislation; and…qualitative and, wherever possible, quantitative substantiation of the reasons for concluding that an EU objective can be better achieved at EU level."

When the European Scrutiny Committee looked at the draft regulation, it found—not by any means for the first time—that neither the Commission's explanatory memorandum nor its impact assessment contained a detailed statement to make possible an assessment of its compliance with subsidiarity. Hon. Members should bear it in mind that the draft regulation, which is of immense importance, amends the capital requirements directive by removing the discretion previously given to member states to impose stricter prudential requirements where national circumstances require that. That is a significant change. Indeed, the Government argue that it could lead to greater financial instability and, as the Minister said, could severely undermine Basel. It will be seen from the draft reasoned opinion that the Committee concluded that the Commission failed to discharge the treaty obligation placed upon it to provide quantitative and qualitative reasons for that change in the form of a detailed statement.

Putting the procedural failures to one side, the House will gather from the draft reasoned opinion that, on the substance, the Committee agrees with the Government that the objectives of the regulation were not better achieved by precluding member states from imposing stricter prudential requirements when they considered that necessary. The Committee came to that conclusion because it was clear from the Government's explanatory memorandum that there continued to be a need for a flexible approach to address prudential concerns at a national level. That reality was reflected in the fact that the Commission proposes in article 443 of the draft regulation that it should be able to adopt delegated Acts to impose stricter prudential requirements for member states where necessary. The Committee could not find sufficient evidence to demonstrate that the Commission was better placed than member states to address national prudential risks that suddenly arise. Indeed, there was a strong argument for saying that national authorities were not only better placed, but could react more quickly than the Commission by means of delegated legislation, thereby enhancing financial stability.

I also have grave misgivings about the Commission having such powers delegated to it—ever. EU delegated legislation is not unlike our own: it affords considerable Executive power with far less oversight.

Finally, the Commission's approach to the consideration of subsidiarity is a matter of concern not only to the European Scrutiny Committee, but to every national Parliament of every member state. I hope that they take note and do something about it, because a great deal is at risk. At its last meeting, COSAC—the bi-annual conference of the EU Committees of national Parliaments, which I attended—concluded that the Commission was not complying with the treaty obligations placed upon it to provide sufficiently detailed statements. That was on the motion that I proposed, which was accepted by COSAC. This was good news, because the Committee had been pushing for it. We await a response from the Commission, but we need support from other member states.

I repeat: I urge the Government to use all their diplomatic and persuasive powers, because we are put at a significant disadvantage as a result of the transfer of functions to the European Union. If there is sufficient opposition from enough member states, we can defeat this proposal.

6.3 pm

Harriett Baldwin (West Worcestershire) (Con): I shall be brief in following my hon. Friend the Member for Stone (Mr Cash) and in supporting the reasoned opinion. I also hope to strengthen and add to some of the arguments made by the Minister and the Opposition spokesman from the Dispatch Box in favour of subsidiarity in banking regulation.

If there is one over-arching lesson that we learned from the financial crisis of the past few years, it is the importance of having the primary banking regulator close to the financial market. I welcome the direction of travel on financial regulation in our national life, which will place much more importance on the role of the Bank of England, because the Bank follows what is happening in this country's financial markets on a day-to-day basis.

It is instructive that the United States—a country that has had monetary union for the past century—is also caught up in the financial crisis. That subsidiarity in banking regulation continues to apply in the US in that each state is responsible for banking licences and supervision in its jurisdiction.

Mr Cash: I am fascinated by my hon. Friend's line of argument, because she has raised the question of commercial states' rights, which are embedded in the American constitution—they are inviolable. Countries in the EU have no such rights. When legislation at EU level goes through—this is why I so strongly attack and resist the idea of transfer of jurisdiction to that level—we are required under the 1972 Act to implement the law. We do not have commercial states' rights.

Harriett Baldwin: Indeed, and to continue with my example, the US Federal Reserve is very much a system of individual reserve banks—the Federal Reserve Bank of New York and the Federal Reserve Bank of San Francisco all play important and distinct roles, recognising that different banking markets have different characteristics, and recognising how vital subsidiarity is in banking regulation.

My heart sank when I asked at the Vote Office for papers relevant to today's motion and was handed this 1,200-page document. We discussed earlier how the EU could save money on its budget, but the document is a prime example of where money could be saved. It is completely unnecessary.

I opened the document at random and found that one proposal is to start dictating quotas for women on the boards of financial institutions in the EU. Page 1,132, which I am sure my hon. Friend the Member for Stone will want to read in detail, is on quota laws for the number of women who sit on the boards of financial institutions in different countries. I noted that in the table of a survey of governance arrangements, Iceland

[Harriett Baldwin]

and Norway are included, but the last time I checked, they were not even member states. I put myself firmly in the camp of people who think that the more diverse range of views one has on boards, the better, but I certainly do not think that that should be laid down in 1,200 pages of EU guidance.

Mr Cash: To give another example, article 218 refers—incomprehensibly—to the so-called financial collateral comprehensive method. To illustrate how far away we have moved from the notion of running a capitalist and financial system sensibly, we are now down to formulas. I shall try to quote it. The document states:

> "Institutions shall calculate the volatility-adjusted value of the collateral (C_{VA}) they need to take into account as follows ...$C_{VA} = C(1 - H_C - H_{fx})$...where...C = the value of the collateral".

That is absolute gobbledegook, but that is the manner in which our system is run. It is completely mad.

Harriett Baldwin: I can see that if I carry on giving examples, I will only encourage my hon. Friend to find more passages of gobbledegook to read into the record, but it is indeed the most appalling document.

Mr Nigel Dodds (Belfast North) (DUP): The hon. Lady makes powerful points on subsidiarity. We have had some fun at the expense of the document, which is long, convoluted gobbledegook, as the hon. Member for Stone (Mr Cash) said. However, the reality—this makes my heart sink too—is that unless we get enough countries in Europe to agree with us, the document will become directly applicable law in the UK. That is how serious the matter is. When one considers the amount of scrutiny that we rightly give to legislation in the House, one realises that the amount of scrutiny given to the document is appallingly low.

Harriett Baldwin: What adds to the power of the right hon. Gentleman's argument is the fact that this week, of all weeks, we have seen how completely inadequately the euro countries have managed the governance of their budgetary arrangements and affairs over a matter that is causing serious problems for the world economy.

I wish to conclude by making one further point. I was completely gobsmacked by the chutzpah—if that is a parliamentary word, Mr Deputy Speaker—of the Opposition spokesman, the hon. Member for Nottingham East (Chris Leslie). Although I welcome the fact that he agrees with the motion, I noted that he did not refer to the previous Labour Government's role in signing us up to the Lisbon treaty without a referendum. It displayed a stark lack of acknowledgement of his party's role in getting us to this position.

I have spoken briefly because there is important business to follow, but I want to reiterate how important it is that the Financial Secretary be armed with the maximum political support for his trip to argue our case against this ridiculous 1,200-page document.

6.11 pm

Jacob Rees-Mogg (North East Somerset) (Con): It is a pleasure to follow my hon. Friend the Member for West Worcestershire (Harriett Baldwin). I agreed with practically every word she said.

I want to focus on subsidiarity in relation to the bank capital requirements. It seems to me that those capital requirements must rest with the lender of last resort, because the organisation that will be best informed about the requirements of banks within its system will be the bank to which they report. This regulation might therefore be an area where it is suitable for the eurozone to have a single regulation, but where those outside the eurozone ought to have regulations referring to their own currencies and central banks.

That works both ways. There has been much concentration on the need to raise bank capital rates when an economy is booming, as part of efforts to calm down an economic expansion, and that is obviously true: had bank capitalisation rates been raised during the last boom, the effects would have been lessened, the degree of gearing, particularly in the Royal Bank of Scotland, would have been lower and the problems that followed would have been fewer. However, it is equally important, when an economy is turning down, that bank capital requirements might need to be lowered, and that might well be the case now.

When banks face large amounts of bad loans and write-offs, we might need our central bank to say, "Well, at this point, we cannot enforce a high bank capital adequacy ratio because, if we do, our banks will not be able to continue in business, or they will not be able to make loans to good-quality borrowers now coming forward." The key argument of subsidiarity, therefore, is that bank capital adequacy regulations have to relate to the currency at issue, and that comes back to the central bank at issue—in our case, of course, the Bank of England. Those ratios must be flexible beyond international agreement, because if the lender of last resort is willing to lend to a bank with low capitalisation in a time of crisis, that is a decision for that central bank and its risk-taking decision makers; it does not need to be decided at an international level.

My final point is the one made by my hon. Friend the Member for Stone (Mr Cash): there is a danger, under the qualified majority voting system, of regulations entirely suitable for the eurozone being passed through for the whole of the EU. Her Majesty's Government need to be alert to that and to make every effort to prevent such regulations from being forced upon us. I hope, therefore, that this motion, when passed, will be taken seriously by the EU, and that we will be allowed to regulate our banks in our way, as appropriate.

6.14 pm

Mr Hoban: This has been a helpful and thoughtful debate, and it will give the Government immense support in making the arguments over the coming months about the need to get CRD IV right; about recognising that it should be the responsibility of competent authorities in member states to set appropriate levels of bank capital beyond high minimum standards; and about the fact that we need the flexibility to do so in order to protect the stability of our financial system. That recognises the fact that banking structures and systems vary between member states. The complexity of those banking systems manifests itself in the extraordinary length of the document before us. These are complex issues that we need to tackle.

I want to make a point about engagement with Europe, picking up on the comments made by the hon. Member for Nottingham East (Chris Leslie) about trade bodies. The same comments were made to the Treasury Select Committee today. There is nothing new about regulators co-ordinating the views of others when representing the UK on regulatory bodies. At the moment, the Financial Services Authority is our representative on the European Securities and Markets Authority, and in its representative role, the FSA must also reflect the views of other regulatory bodies not represented on ESMA. For example, it must take into account and reflect the views of the Financial Reporting Council and, on takeovers and mergers, the Takeover Panel.

Furthermore, the European Insurance and Occupational Pensions Authority has to represent the views of the Pensions Regulator. If I am right, at one point, the UK's representative on EIOPA's predecessor body, the Committee of European Insurance and Occupational Pensions Supervisors, was not the FSA, but the Pensions Regulator itself. There is nothing new, therefore, about one body representing the views of other regulators in the UK on these European bodies, and it would be wrong to suggest that this is something novel or different.

We need to ensure that, under the new regulatory architecture, we are clear about who speaks for the UK on these matters. On the European Banking Authority and EIOPA, the Prudential Regulation Authority speaks for the UK, so it will want to gather the views of the Pensions Regulator and the Financial Conduct Authority on insurance issues, for example. It is clear that the FCA will represent the UK on the board of ESMA, and it will have to gather the views not only of the FRC and the Takeover Panel, as it does now, but of the Bank of England, on clearing houses, and the PRA on prudential issues relating to securities firms.

I do not therefore see this as some great novelty or innovation. It needs to work. However, surely no one in the House is suggesting that UK regulatory bodies should be driven by what is happening in Europe, rather than meeting the needs of businesses and consumers in the UK. I do not think that anyone is seriously suggesting that we have sectoral regulation in the UK, rather than functional regulation. If the Opposition want to go down the former route, let them say so, but we should find a way of ensuring that the current system works.

Chris Leslie: What is the Financial Secretary's assessment of the British Bankers Association's suggestion for a properly resourced international secretariat to ensure a better single interface with those European institutions? He might be right that we should not necessarily follow those European arrangements, but surely he accepts that a complex existing arrangement could be made even more complex by the proliferation of financial regulatory bodies that he is proposing.

Mr Hoban: The hon. Gentleman has just recommended such a proliferation of bodies—with this co-ordinating secretariat. The PRA and the FCA are more than capable of talking to each other about these matters. We need to ensure that they gather people's views and that the interests of the FRC and the Pensions Regulator are reflected. However, I do not consider it to be the huge problem that he is inflating it to be.

It is also the case, of course, that the negotiation of level 1 instruments, such as the directive before us today, is the responsibility not of the PRA, the FCA or the Bank of England, but of Her Majesty's Government and, in particular, the Treasury. It is very clear where the focus is; we do not seem to have any problem at all in co-ordinating the views of others for that process.

This has been a helpful debate. It will help strengthen the Government's hand in negotiation with Brussels. It is very clear that it is not just the UK Government who believe that we should have the freedom to go further beyond minimum standards if necessary, and the freedom to set our own macro-prudential strategy. That is the view of the International Monetary Fund, the view of Jean-Claude Trichet and the view of Jacques de Larosière. There is a consensus around this. What is important, I think, is that the Commission listens to that consensus and takes the right action to enable member states to tackle financial stability. I am grateful for the support for this motion and commend it to the House.

Question put and agreed to.

Resolved,

That this House considers that the draft Regulation on prudential requirements for credit institutions and investment firms (European Union Document No. 13284/11 and Addenda 1-4) does not comply with the principle of subsidiarity for the reasons set out in the Annex to Chapter 1 of the Forty-second Report of the European Scrutiny Committee (HC 428-xxxvii); and in accordance with Article 6 of the Protocol on the application of the principles of subsidiarity and proportionality, instructs the Clerk of the House to forward this reasoned opinion to the presidents of the European institutions.

Backbench Business

[UN-ALLOTTED HALF DAY]

Transport Committee Report (High Speed Rail)

Mr Deputy Speaker (Mr Nigel Evans): We now move on to the first of two items of Back-Bench business. I shall shortly call Louise Ellman to move the first motion—and, indeed, she will move the second. As I said to the House just over a year ago when we debated the first item under this relatively new procedure, the Chair of a Committee speaks for about 20 minutes, during which time interventions may be taken, but after he or she concludes there will be no separate speeches and we will move on to the next business.

6.21 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I beg to move,

That this House notes the publication of the Tenth Report from the Transport Committee on High Speed Rail, HC 1185.

I am grateful for the opportunity to present on the Floor of the House the Transport Select Committee's report into high-speed rail. Our inquiry attracted widespread interest and considered strongly contested and diverse views on the Government's proposal to build a dedicated, high-speed, Y-shape network, with trains running at up to 250 mph.

Phase 1 is proposed to run from London to Birmingham, opening in 2026. Phase 2 would add two legs to the line, with one going to Manchester and the other to Leeds, operating from 2032-33. The total projected costs are £32 billion, with £16.8 billion for phase 1. The former Secretary of State for Transport, the right hon. Member for Runnymede and Weybridge (Mr Hammond), told the Committee that, spread over 17 years, this was affordable and amounted to an average of £2 billion a year—very similar to the current costs of building Crossrail. Should this proceed, Parliament would consider a hybrid Bill from October 2013 to May 2015.

Our inquiry included consideration of more than 200 pieces of written evidence. We held five oral evidence sessions, with more than 40 witnesses. We travelled on high-speed rail in Frankfurt, Paris and Lille, and spoke to business and civic representatives there, so that we could make some assessment of the impact of high-speed rail on continental Europe. We commissioned a report on High Speed 2 from Oxera Consulting and asked for its analysis of the case put for High Speed 2. We appointed specialist advisers, Bob Linnard and Richard Goldson, to work with our excellent Committee staff. We took those steps because we recognised the importance of this inquiry and we wanted to listen to the greatest possible number of people with different views and different experience, and we wanted the highest level of advice and support in assisting us to analyse the validity of the project before us.

It is regrettable that people expressing sincere and legitimate concerns about what they fear would be the local impact of high-speed rail on their environment have been castigated as "nymbys". People are entitled to express their views, and while a decision on a major investment of this nature should be taken in the national interest, people are fully entitled to express their concerns about what they believe might be the impact on them, their community and their local environment. Abuse does not help debate.

What are our conclusions? We conclude that there is a good case for proceeding with a high-speed rail network linking London and the major cities of the midlands, the north and Scotland, principally because it will provide a substantial and necessary step change in capacity and a dramatic shift in connectivity not offered by any of the alternatives proposed. This investment will assist passengers and freight. We reject a policy of ever-rising train fares in an attempt to suppress peak-time passenger demand. Current overcrowding is a consequence of a current failure to provide necessary capacity at a time when people want to travel and often need to travel.

The number of long-distance rail journeys more than doubled in the 15 years to 2009. Some of the highest growth has been on the west coast main line, where the number of journeys has increased by about 10% per annum for the past three years. The west coast main line passenger demand levels forecast by HS2 for 2021 have already been overtaken and are projected to increase.

Mr Andrew Turner (Isle of Wight) (Con): Will the hon. Lady help me by explaining how much money from the Government and how much from the customers or the users of the railway is involved? May I add that, as a representative of the Isle of Wight, there is no benefit whatever for me or my constituents if a lot of money is spent on a railway in the north of England?

Mrs Ellman: I thank the hon. Gentleman for his comments. Currently, the proportion paid by the traveller or fare payer is increasing and is now about half of the cost. That is very different from what applied in previous years.

We were told clearly that the west coast main line will be full by the end of this decade, which means that additional required routes and services for passengers and freight could not be made available. Our specialist advisers were clear that HS2 is needed for capacity reasons if the pattern of growth continues or if peak demand cannot be spread.

The step change that HS2 would bring does not apply only to people who would use the new line. It would enable expansion on the existing classic line for more local and regional services and for freight. Places such as Milton Keynes would benefit; freight on rail would expand—and demand for freight on rail is anticipated to double. When an assessment of the impact of High Speed 2 is made, it is important to look at what services could be made available on the existing classic line, as well as what would run on the new line.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): As a Birmingham MP, it always strikes me that we focus on the benefits from London to Birmingham, but what about trade between Birmingham and cities in the north-east and north-west—another benefit that should not be ignored?

Mrs Ellman: I thank my hon. Friend for her comments. It is evident that the debate on High Speed 2 is often cast solely in terms of access to London, but this is also about access between major cities. For example, if and when the line is completed as planned, Manchester and

Leeds would be brought within 80 minutes of London, travelling from Manchester to Birmingham would take 49 minutes, while Birmingham to Leeds would take one hour and five minutes. It is as much about the connectivity between the cities of the United Kingdom as it is between cities and their access solely to London. Indeed, a high-speed line offers a dramatic shift in connectivity between the UK's major cities as well as improved access from the regions to Heathrow and, through linking with High Speed 1, to continental Europe.

A high-speed network could be a catalyst for economic growth, supporting jobs and investment. It could help to rebalance the economy and address the north-south divide.

Mr Andrew Turner: At present half the money comes from the Government, and a new railway costing about £18 billion is proposed. It is not clear whether people who can currently afford to travel would still enjoy the same benefits. Would the money that is being spent continue to be spent, or would the amount be reduced?

Mrs Ellman: Those are matters for Government policy. When we raised that specific issue with Ministers in the Select Committee, we were told that the current assessments were based on existing Government policy. That could, of course, change; it would be a matter for the Government of the day.

Many local authorities and business representatives, especially in the west midlands and the north, were extremely enthusiastic about the potential economic benefits of High Speed 2, and many referred to specially commissioned studies that showed what could be achieved. We do, however, have a number of concerns, which must be addressed during progress on High Speed 2 to ensure that the potential of a new high-speed rail network is realised and informs decision making. The Government must commit themselves to phase 2 before phase 1 is agreed.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): I congratulate the Select Committee on its exhaustive report. Would it not be useful if the Government found some technical way of including in the Bill provision for services to Manchester and Leeds, so that the north could give its full support to the railway?

Mrs Ellman: I agree with the hon. Gentleman. Indeed, if he reads our report, he will see that we suggested a specific form of words enabling the Government to do just that. I hope that the Government read the report very carefully, particularly the section to which I have referred.

The case for a high-speed line between London and the west midlands depends largely on the assumption that the Y-shape network will be completed. To provide a high-speed line that went solely from London to Birmingham would be to abandon the north, which I do not think many Members would want. Indeed, in the longer term the line could extend to Scotland, Wales and other parts of the United Kingdom.

It is important that local and regional economic strategies are drawn up and supported—that includes support from Government as well as the private sector—to maximise high-speed rail's potential to rebalance the economy, but it is equally important that investment is maintained in the existing classic line, including initiatives such as the northern hub. Continued investment in the classic line is important for the purpose of local improvements, and people travelling on local lines must be able to benefit from the maximum possible access to the high-speed line.

Stuart Andrew (Pudsey) (Con): I congratulate the hon. Lady and the Committee on the report. She raised an important point about connectivity in the north. If people are to travel from London to the north and vice versa, once they have reached the north they will need to be able to travel effectively and efficiently, which they cannot do at present. I therefore believe that the northern hub is crucial to the success of High Speed 2.

Mrs Ellman: I agree with the hon. Gentleman. I hope that he will put his weight behind the views of the Select Committee, which is already working hard to ensure that the northern hub is delivered.

The Committee considered that further information was required to inform decisions on access to Heathrow and terminals in London. We felt that there was not enough information in the public sphere, particularly in relation to Heathrow. We also felt, strongly, that environmental concerns should be properly assessed in a revised business case. High-speed rail is likely to have substantial impacts on some local communities and areas along the route, and we need to be satisfied that full consideration has been given to an assessment of what those impacts might be.

Dan Byles (North Warwickshire) (Con): I join those who have welcomed the report, which contains a very thorough analysis. The Committee has entered a number of caveats alongside its support for High Speed 2. In the summary, the Committee calls on the Government

"to consider and clarify these matters before it reaches its decision".

Does the Committee believe that the Government should not make a decision until all the points raised in the report have been clarified?

Mrs Ellman: If the Government decide to proceed, they should issue a statement of their intention to do so. We have already been told that more information will be made available before a statement is issued. Following that, intensive work should be done to deal with some of the issues that we have raised before the House considers a hybrid Bill in 2013. It is proposed that proceedings on the Bill should take place over 18 months, so if the Government decide to go ahead there will be plenty of time for consideration to be given and for more information to be produced before any final decision is made.

Ms Gisela Stuart: If the Government think it right to go ahead—and I agree with them—what will change between now and 2013? Surely the hybrid Bill can serve as a framework Bill, and it will not be necessary to wait until next year.

Mrs Ellman: While we are committed to the necessity for high-speed rail, we think it important for the detailed issues that we have raised to be considered fully.

Christopher Pincher (Tamworth) (Con): Will the hon. Lady give way?

Mrs Ellman: I am running out of time, but I will give way once more.

Christopher Pincher: The hon. Lady says that the Committee's report raises important points, and she says that the environmental impact has not been properly assessed. Does she believe that that impact will have a significant effect on the net cost-benefit ratio in the business case?

Mrs Ellman: That is an important point. I cannot anticipate what the impact would be, but we think that other factors, including the importance of reducing current overcrowding, should be assessed as well. Ultimately, any cost-benefit ratio would have to take account of the findings in regard to those factors, and possibly others as well.

The significance of the 250 mph maximum speed should be explained in relation to the choice of route, and the value of time-saving per individual should be reconsidered. The importance of reducing overcrowding should also be assessed. Much more progress must be made on decarbonising fuel before High Speed 2 can be seen as an essentially green project. Any reduction in carbon emissions that is attributable to high-speed rail should be determined by the extent to which the UK's energy is decarbonised, although it is certainly true that travelling by high-speed rail is greener than travelling by car or plane. The information that we currently have does not make clear the extent to which high-speed rail would replace air travel, particularly in phase 1. We repeat our call to the Government to publish a transport strategy so that the role of rail and aviation, including high-speed rail, can be assessed in a national context.

Those are our major concerns. We believe that they must be addressed if the High Speed 2 legislation is to complete its passage through Parliament in what, as I have explained, would be a lengthy and detailed process. A decision to invest in a new dedicated high-speed rail network would be the single most important transport infrastructure investment for generations. Our report supports high-speed rail, and identifies important matters that must be addressed before final decisions are made on High Speed 2. I call on the Government to respond constructively.

Question put and agreed to.

Cost of Motor Insurance

Mr Deputy Speaker (Mr Nigel Evans): The procedure for this motion will be as follows. Louise Ellman will speak for around 10 minutes. We will then move to full debate, which can last until 10 o'clock. Ministers will indicate when they wish to speak, which need not be at the beginning, and Louise Ellman will be afforded five minutes in which to wind-up at the end.

6.40 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I beg to move,

> That this House expresses concern over the large increase in the cost of motor insurance in recent years, including in relation to young drivers; welcomes the report by the Transport Committee on the cost of motor insurance (HC 591) and its continuing inquiry into the reasons for this increase; notes that factors explaining the cost of motor insurance include the number and cost of personal injury claims arising from road accidents, assessment of risk, fraud, and uninsured driving; notes that the Government has taken some steps to deal with these issues, including a ban on referral fees in personal injury cases, but that more could be done; further notes that Ministerial responsibility for these issues is split across several departments; and calls on the Government to establish a cross-departmental Ministerial committee on reducing the cost of motor insurance and to publish a plan for dealing with the different aspects of this problem during this Parliament.

Members of the Transport Committee are signatories to the motion, and I thank the Backbench Business Committee for allowing me to move it.

Many Members will have received letters complaining about the rising cost of car insurance. People with clean records who have driven for years without incident have suddenly found themselves facing big increases in their premiums, and young drivers are now being asked to pay about £3,000 for insurance, effectively forcing them off the road.

The Committee started looking into this issue in November of last year, and we published a report in March. It generated massive interest. People are extremely concerned about their premiums, but serious questions about how the insurance industry works were also raised, and, unusually, we decided to reopen our inquiry.

It is, perhaps, fair to say that motor insurance was not the Minister's highest priority before our inquiry began, but I hope it has become a higher priority now. Many Members have campaigned on the cost of motor insurance, and I single out for tribute my right hon. Friend the Member for Blackburn (Mr Straw), who has campaigned strenuously for the abolition of referral fees.

The AA's regular survey of the cost of motor insurance shows that quoted premiums have more than doubled since 2006, reaching an average of £921 last month. The premiums faced by young people, and especially young males, are significantly higher—in many cases, about £3,000.

Jonathan Evans (Cardiff North) (Con): Did the Committee also look at the impact of the recent Test-Achats judgment on gender discrimination? At present, there is a significant disparity between insurance rates for young women and young men, but that case argues that the rates should, in fact, be the same.

Mrs Ellman: I thank the hon. Gentleman for his question. The Committee did not look specifically at that point, but I fear that if there is to be equity, it will be equity upwards, rather than lead to a lowering of premiums.

High premiums have a major impact on the lives of our constituents. Motor insurance is rightly compulsory, but for many people driving a car is a necessity, perhaps for getting to work, to college or to hospitals for appointments, as well as for visiting friends and family, doing the shopping or taking children to school.

I and other Members have received a great deal of correspondence from people wanting to give examples of the problems they have experienced. I received a letter saying the following:

> "My partner has just tried to insure me again on our vehicle which is not a sporty flash car, to be told that it would cost him an extra £1,370."

A lady from Birmingham wrote:

> "My car was involved in an accident where a lorry collided with my car. The driver accepted it was his responsibility...My renewal was due and my premium had increased from £700 to over £2,000."

These stories illustrate why the Government must act.

Surprisingly, the recent increase in premiums has coincided with significant improvements in road safety, which is part of a welcome trend of falling numbers of deaths and serious injuries on the roads. Why have premiums risen so much, therefore?

There is better access to justice, with no win, no fee arrangements. Those arrangements are being changed, but we must not return to a situation in which justice is available only to the rich.

There is also cold calling, where claims management companies canvass for claims, often using personal information obtained from unknown sources. Where is the regulation of data protection that is supposed to be in place? Claims management firms deserve special scrutiny. They encourage people to claim, and to make multiple claims when they might not otherwise have done so. Premiums in the north-west are 50% higher than the national average, apparently because of the activities of these companies.

Referral fees have been in the news. They are paid to a number of players in the industry as a reward for passing on business, thereby encouraging claims and sometimes inflating bills. They are not paid to insurers alone; a number of bodies are involved, including insurance companies, solicitors, car hire firms, claims management companies, medical experts and vehicle repairers. Although the Government have started to act on referral fees, what they are doing does not encompass all those sectors of the industry, and neither does it take into account how companies might try to get around the abolition of referral fees. There are now alternative business structures, where non-lawyers can buy legal practices. How will the Government ensure that companies do not get around the ban on referral fees through taking such steps?

Fraud is a major concern, including the staging of accidents by criminal gangs. That adds £80 to the average premium.

Julian Sturdy (York Outer) (Con): The hon. Lady is making some powerful arguments on issues that the Transport Committee has addressed. Does she agree that we need greater transparency in the industry if we are to drive down the costs of motor insurance?

Mrs Ellman: Yes, and the Committee has called for greater transparency, but the Government did not comment clearly on that point in their response to our report. As we did not get a clear answer then, I shall repeat the question now: what are the Government's views on greater transparency?

Some criminal gangs commit fraud by staging accidents, but fraud can also include giving false information. We commissioned a survey with Young Marmalade, an insurance company specialising in young people, and a third of young drivers said they had considered giving inaccurate information to insurers in order to try to get a lower premium. There are plans to give insurers access to Driver and Vehicle Licensing Agency data, but when will that be implemented? Whiplash claims are another source of increased costs and premiums. We need to find a way of identifying when such injuries are genuine.

One of the reasons for the high premiums faced by young people, and in particular young males, is the high accident rates among them. The accident rates for young males are 10 times higher than those for older people. Some years ago, the Committee looked into this issue and made a number of recommendations, including changing attitudes and enforcing a graduated licence scheme, but we are still waiting for the Government to respond. We support the "black box" idea developed by some insurers to monitor and assess the driving standards of young people so that that information can, perhaps, be used to calculate their premiums.

I am glad that the Office of Fair Trading is looking into the industry, and that the Government have started to act by starting the legal process to ban referral fees, but do we truly have any confidence that premiums will come down? I do not believe we have seen any evidence of that.

A great deal more needs to be done and that involves a number of Departments: the Department for Transport; the Home Office; the Ministry of Justice; the Department for Education, which springs to mind immediately when one thinks about road safety and attitudes; and perhaps some others. Diverse Departments are involved and responsible for this area, so a cross-departmental working party is required, and that is why I have brought this motion to the House. I hope that the Government will be able to agree to setting up such a working party, so that insurance premiums can become affordable and the growing outrage of people forced to pay extortionate rates can be addressed.

6.50 pm

Karl McCartney (Lincoln) (Con): It is a pleasure to follow the hon. Member for Liverpool, Riverside (Mrs Ellman), who made many points with which I agree. I congratulate her and hon. Members across the House on securing this debate and putting forward this motion. May I declare an interest as both a justice of the peace and one of 32 million drivers who pays insurance for the family car? Like many, I am dismayed that the previous Labour Government did nothing to dissuade the estimated 1.5 million uninsured drivers still on our roads or to halt the rise in fraudulent claims and insurance scamming which plague drivers and our courts.

Like many colleagues, I am aware that it can often be the issues that never make the front pages, or those that receive little, if any, attention, that can irritate people

[Karl McCartney]

the most and can undermine and shake their belief in the rule of law and a responsible society. Normally, this occurs when people have done the right thing yet their fellow citizens who have purposely done the wrong thing somehow get away with it and the law-abiding are left to pay the penalty. The menace of uninsured drivers is one such issue. If that and the so-called insurance scammers were effectively tackled, the costs of motor insurance would be significantly reduced for the law-abiding drivers of our country.

In September, I conducted an online survey regarding uninsured drivers, the fines and punishments currently handed down, and what respondents felt should be the punishment, given the rising costs of premiums that most law-abiding drivers have had to pay in recent years. There is a widely held view that there is a need for far harsher penalties for uninsured drivers and other people who, aided and abetted by the claims industry, lie about the extent of injuries caused to them and, in some cases, wilfully manufacture the circumstances in which accidents occur. There are also about 1,200 claims per day for whiplash, each case averaging a payout of £3,500, and hire car charges for replacement cars are also eye-wateringly high. That is not sustainable, or, I believe, a true representation of accidents on our roads.

My interest results not only from what my constituents or friends and family tell me, but from what I have seen with my own eyes and experienced personally. As a magistrate, I have found that our hands have for some time been tied by rules and by the ring-fencing of the level of fines and type of sentences we can impose on the same old faces that come before us, often three or four times in a few years. These people include those who drive without insurance, and often without tax and MOTs for their vehicles too. It is also a proven fact that many of those convicted of vehicle crime are involved in other law-breaking activities.

Moreover, my family and I have been the victim of three car insurance scams, and the police forces in both Kent and St Albans have shown no interest in following them up, despite judges and courts finding in favour of us and our insurance company. But they should, because how many fully insured drivers have the time and bullishness to see through such action, and challenge the system and the fraudsters? The system relies on this lack of willingness.

Kwasi Kwarteng (Spelthorne) (Con): How extensive does my hon. Friend think the problem of fraud is in relation to rising premiums?

Karl McCartney: It is very extensive, and I shall discuss it later in my speech. It is something we have to deal with.

The system relies on a lack of willingness to contest such fraudulent claims. After the judge's decision in our most recent case, it was revealed in court that these scammers had tried it on—successfully—six times in the past five years from the same registered address of the vehicle. Unpunished, they are probably trying it on again as I speak. Not only do uninsured drivers increase the insurance premiums of law-abiding insured drivers, but we taxpayers are being fleeced a second time, as our courts are seeing similar claims cases taking up large amounts of court time, whereas 10 to 12 years ago that was not so. Typically, the courts, those working in them and the legal system suspect that the true number of fraudulent claims is at least 10 times that which reaches our courts.

To gauge whether my views were in tune with others—I feel that there is an appalling lack of appropriate punishments for uninsured drivers and accident scammers—I conducted an online survey, as I said. It was predominantly of local people in Lincoln and asked their views about uninsured drivers, given that the average fine for driving uninsured in the county of Lincolnshire was £213 in 2010, a reduction from £233 in 2008. I was not surprised to find that the vast majority felt the fine level was too low. It is especially galling for insured drivers to note that while their average insurance premiums have risen by up to 40% in recent years, the fines for uninsured drivers have decreased in the same period. We can see why this situation has occurred. The average comprehensive premium for the Lincoln postcode was just over £603 at the end of September 2011, which shows that someone has to be caught 2.8 times or more in a year for it to be more expensive than to drive with insurance.

However, as we have heard, insurance is about risk and age, and those key factors also matter. For example, the estimated cost for comprehensive insurance for a male in Lincoln aged between 17 and 20 is £2,733. It is £1,338 for a 21 to 25-year-old and £765 for a 25 to 30-year-old. That means that anyone from those age groups caught driving uninsured has respectively to be fined 12.8, 6.5 and 3.6 times per year before the fine exceeds the insurance cost.

Jonathan Evans: But this is not only about the financial penalty that may be imposed on uninsured drivers. If the uninsured driver is involved in an accident, the significant costs of personal injury have to be borne by all the people who are doing the right thing, and that then adds to the insurance costs to which my hon. Friend has referred.

Karl McCartney: My hon. Friend is correct, and that is something else that I will discuss later in my speech.

For many, the risk of driving without insurance is attractive. The "getting away with it" factor is too enticing. As hon. Members on both sides, and you, Mr Deputy Speaker, may know, I like being positive, and there have been many changes recently that I warmly welcome: the reported fall, by a claimed 25% in the past five years, in the number of people driving while uninsured; the recent clampdown on people owning uninsured cars; the seizure of uninsured vehicles; and the coming prevention of insurance companies and other agencies selling on personal data, which has fuelled insurance scamming. That move followed the welcome recent Motor Insurance Regulation Bill sponsored by the right hon. Member for Blackburn (Mr Straw). I hope that my ministerial colleagues will ensure that this applies to all referrals of personal data following vehicle accidents, and that the insurance industry and associated agencies will not look for any loopholes.

However, I believe that more needs to done, and the survey that I conducted through my website shows that the vast majority of local people who responded think so too. Unfortunately, I suspect that much of the insurance industry's claimed recent fall in uninsured driving has come in London, where of course there has been a proliferation of number plate recognition cameras, in the City and, more recently, with the congestion charge area. Across the country a frightening statistic is still in force, which is that when we drive on UK roads in some areas every 12th car we pass has an uninsured driver at the wheel.

Having taken my views and those of my constituents into account, I have come up with a 10-point plan to clamp down further on the scourge of uninsured driving and phoney claims. First, as part of the need for a far more zero-tolerance attitude to be taken against supposedly low-level crimes, driving without insurance needs to be treated as a higher priority by the police. Like drink-driving, uninsured driving needs to be no longer socially acceptable.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): Does my hon. Friend agree that things are a load easier for enforcement agencies in other countries, because the certificate of insurance is displayed on windscreens there?

Karl McCartney: Remarkably, my hon. Friend picks up on the second point of my plan. Secondly, we should have an insurance sticker on every windscreen, just as we do for the current tax disc, that proves that a car is insured. Thirdly, we need far tougher sentences for those caught driving uninsured, with the minimum fine in each area being the double the average insurance cost in that area for the age and gender of the person caught. Fourthly, where someone is caught and prosecuted for driving uninsured, they should automatically lose their driving licence for a set period, perhaps at least one year. That should certainly be the case for a second offence and perhaps the period should be longer—say five years—for subsequent offences. Fifthly, when someone is caught and prosecuted for driving uninsured for at least the third time, they should perhaps go to prison—only for a short time—and be given a lifetime driving ban. Sixthly, if someone causes a serious accident while driving uninsured, they should go to prison and be given a lifetime driving ban. Seventhly, juries and magistrates should be made aware of whether false vehicle insurance claims had been made by those making a subsequent vehicle insurance claim that has reached the court.

Eighthly, those making false insurance vehicle claims that reach the courts should be prosecuted and actively pursued by the relevant police force. My penultimate point is that the names and addresses of those prosecuted for driving uninsured should be published widely. Finally, we must support both the clampdown on insurers being able to trade personal data of those involved in accidents and the regulation of the monopoly and sharp practices currently engaged in by insurers and the legal profession that see the motorist paying through insurance premiums and general taxation for their unwillingness to stamp out fraudulent and speculative claims, such as personal injury and hire car charges. These moves are just the start, and throughout my time in Parliament I am going to continue to campaign for justice for the insured drivers of our country.

Julian Sturdy: I agree with my hon. Friend that tougher action is required. Is he surprised to hear that 10% of drivers aged under 34 do not realise it is compulsory to have motor insurance?

Karl McCartney: I have heard that before and I am still surprised considering that I was brought up knowing that one had to be insured and given that one has to show one's insurance documents to tax one's vehicle. However, the point is well made.

I am going to continue to campaign for justice for the insured drivers of our country and for heavier punishments for those who are uninsured. The law-abiding majority—in this case drivers who, in many cases, struggle to pay large car insurance premiums but who rely on their car for work, for transporting children to school in rural areas or just to access local services and amenities—must always come first. I am also wary of the claims made by insurance companies and their insurance bodies and organisations, along with some parts of our legal system—the legal firms and operators in this field—that they are doing their best to reduce uninsured driving and scamming claims. They patently are not doing what they claim to be doing. They are complicit in passing on the cost of fraudulent claims and the £400 million to £500 million a year that the Motor Insurers Bureau fund pays out, which is taken from our premiums rather than their profits, to insure drivers who are involved in accidents with uninsured drivers. That is too much. They do not mind what our premiums are, as we have to pay the figures they quote. They have a monopoly.

I hope that my right hon. and hon. elected colleagues in government and honourable members of the judiciary and legal system will actively seek to reduce the financial burden of motor insurance on law-abiding drivers, particularly on new and young drivers, by ensuring that uninsured driver numbers are further reduced. That will ensure that young drivers in particular, at what should be an exciting time when they are able to have some independence, will be able to afford to drive legally on our roads. Further, older drivers who are struggling to afford motor insurance should find that premiums are reduced not just marginally but heavily if the insurance industry and legal system help to clamp down on the cost of uninsured drivers and on the cost generated by fraudulent and inflated claims. Those involved in the legal system that is currently in place are happy to see those claims passed through the system because they generate work, fees and profits at no cost to them, with drivers' insurance premiums rising instead, as they have by more than 40% in the past year, to cover those costs.

The points I have made are based on the views of law-abiding respondents locally and on the view I have always held that the law-abiding majority should come first and the criminal should come last by a long way. The irritating system under which people may break the law knowing that the penalties for being caught are minor compared with the cost of complying with the law cannot continue. The situation has to be rectified to ensure that the law is on the side of those who uphold it, not of those who break it. Tackling uninsured drivers and insurance scammers will be a good step in the right direction.

Anything that will help to reduce the cost of insurance premiums for the law-abiding 32 million-plus drivers in our country has to be a good thing. Ensuring that there is a truly competitive insurance industry can only help drivers, especially if moves are made to ensure that it is no longer viewed as a rip-off for the motorist—or highway robbery, as some have termed the recent 40% rise in premiums. Perhaps regulating and removing the absolute

[Karl McCartney]

monopoly enjoyed by the sector will also, along with appropriate levels of punishment, help to eradicate the despicable practice of uninsured driving on our roads. I support the motion.

7.3 pm

Jim Dowd (Lewisham West and Penge) (Lab): May I apologise to you, Mr Deputy Speaker, and to my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) for missing the first few moments of her introduction to the debate? I commend her and the Committee for the excellent work they have done in this timely report. As she mentioned, the motor car has moved a long way from being a luxury to being, although not quite a necessity, something that is critical to the economic and social well-being of many millions of people across the country. Issues relating to cars clearly have a wide impact in every constituency.

The issue of young drivers concerns everybody. The difficulty that many of them have in obtaining insurance is only one part of that. I remember when I bought my first car back in—

The Parliamentary Under-Secretary of State for Transport (Mike Penning): A Model T?

Jim Dowd: No, it was not a Model T—it was a Mini, back in 1968. It was six years old and it cost me just over £100. By the time I had got my insurance, which was £60, plus four-months' road tax—as it was then and as the rest of the world calls it, or vehicle excise duty as we call it now—and an MOT certificate, I had spent as much on those three items as the car had cost me. I was quite young at the time and that was probably reflected in the premium, but none the less it was a shock to have to spend as much on ancillary costs as on the vehicle itself.

Today, we hear stories of young people having a vehicle costing a few hundred pounds and insurance premiums of more than £1,000. It is not the cost of the vehicle that is the issue; it is the risk of using it on the road. Effectively, motor insurance is a public liability insurance; one does not necessarily have to insure one's property but one does have to insure against damage to other people's property and, indeed, to other people. It is the scale of the problem that we need to look at. As has been said, there are more than 30 million cars on the road and it does not take a genius to work out that as the number of cars on the road rises, so the likelihood of accidents rises in similar proportion. However, I believe that this country has a very good, but still improvable, record on reducing road accidents and certainly road casualties.

One shock that I had in 1992 when I was first elected to the House—apart from having been elected to the House—was the fact that for the first time in more than 20 years I had to buy my own car. I had experienced the comparative luxury of having a company car in the intervening 20 years and precisely because I did not have a personal insurance record—a no-claims bonus, as everyone knows it—at that time, the first insurance quote I got was more than £1,200 for a very medium-range car, which my former company kindly sold to me. It was only when I got the company to provide me with a certificate saying that I had had blemish-free motoring for 10 years or more that the insurance company reduced the figure, but it still only came down to £800—and that was the better part of 20 years ago. The problems with increased costs in insurance and the increased likelihood of people driving uninsured, as well as the risks posed to those people and, more particularly, to everybody else, are intolerable.

Motor insurance is a curious entity in that it is one of the few examples, although not the only example, of a statutory obligation to purchase a product from a private supplier. There may be far more than one supplier, but one has to have motor insurance to drive on public roads. That places on the motor insurance industry particular responsibilities that it should meet but that would not otherwise arise. I think the situation implies that the industry should have the most stringent, open, transparent—I think a Government Member said that transparency was a key issue—and fair standards of behaviour towards customers because it has a captive market. I accept that people can move from one provider to another, but one thing they have to have to drive on public roads is motor insurance. If one's household contents insurance premium becomes unsustainable or extortionate, one can either go to another supplier or take the risk on oneself. One can say, "The premiums are not worth what I'm paying: I'll take the risk on myself. I don't have to have it," but the same is not true of motor insurance. If one wants to drive on a public road one has to be insured.

The industry is confronted by a number of problems, to which others have referred. For example, there is the rise in personal injury claims, almost all of which seem to include claims for whiplash injury, as well as the issue of referral fees, which the report has looked at and which others have mentioned. There is also the growth of the no win, no fee—or ambulance chasing, as it is known in some circles—industry, and the business of downright fraudulent claims. All these issues have to be grappled with by the industry, which is an extensive one, and I am sure that people will have different views about how well it is dealing with them.

The report covered a number of areas, including personal injury claims, referral fees, uninsured drivers and fraud, but it did not cover an area that I want to make particular reference to on behalf of one of my constituents. He is 73 years old, and he has been working as a minicab driver for a number of years. He has a state pension, although not a full one, and that is his only other income, so he is keen to carry on working. In August this year, his then insurer advised him not that it was putting up his premium but that it was cancelling his hire and reward cover. It gave no other reason than the fact that he was now 73, as though he had just gone across some magical threshold. It was not even prepared to take on the risk at a higher price.

My constituent quite understands that, as people grow older, so they might become a bigger risk and therefore have to pay a bigger premium, but the insurer would not increase the premium. It simply would not accept the risk, for no other reason than his age. His wife is somewhat younger than him, but she, too, is past retirement age. She is still working, however, so his recourse to benefits would be somewhat limited. He contacted other insurance companies and brokers, but to no avail. He got no offers at all to renew his hire and reward cover, which is essential for anyone wishing to work as a minicab driver.

My constituent's social, domestic and pleasure policy was unaffected, except for a marginal increase in price. I could understand if the insurer felt that he was a danger to the public and should therefore not be on the road. I would not agree with such a proposition—I do not think that any sensible person would—but it would at least have the characteristic of consistency. As things stand, however, it is perfectly legal for him to drive on the roads as a private citizen in his very unglamorous minicab, but it is no longer possible for him to pursue his livelihood as a minicab driver.

The majority of the population have a driving licence, and I quite understand why they expire on the licence holder's 70th birthday. The assumption is that we need to consider whether people are still fit to drive on public roads. The primary consideration must be safety, not least the safety of other road users, and it is perfectly reasonable to check people's eyesight and reaction times more as they get older, to ensure that they can still drive safely. We are told that we have an increasingly ageing population, so this is going to become more and more of an issue. There is no question but that everyone who drives on public roads should be deemed fit to do so, but I cannot understand the distinction between my constituent driving as a private individual and driving for gain as a minicab driver.

After my constituent had been to see me, I wrote to the Chancellor of the Exchequer and to the director-general of the Association of British Insurers. I got a reply from the Financial Secretary to the Treasury, in which he states:

> "Some age-based practices, such as the use of broad age bands combined with significant price increases between age bands, may appear arbitrary. Insurers, however, use age bands as a means by which to price the risk of insuring a variety of individuals, and the transaction costs involved. The effects of age bands will, however, be reflected in the premium charged to an individual should they enter a new band."

As I have said, my constituent has been denied that opportunity, as he has not been put into a new band. His premium has not been increased; it has been refused.

I also received a response from Mr Otto Thoresen, the director-general of the Association of British Insurers. I will read out a point that supports exactly what the Committee says in its report. He says:

> "In 2010, motor insurers paid out £1.21 in claims and expenses for every £1 received in premiums. A combination of high legal costs, rapidly increasing personal injury claims, fraud, and a stubbornly high level of uninsured driving have driven the industry to a point where, after price stability and, in many cases, falling premiums in the middle of the last decade, they have now had to rise."

The Committee makes that point as well. Mr Thoresen went on to say that there were issues relating to the taxi insurance business, and that

> "evidence across the market has shown that the probability of being involved in an accident worsens as drivers reach their mid-70s",

as my constituent is now doing.

One of the objections to the way in which insurance companies conduct their business is that, when it suits them to do so, they treat people as individuals, and if an individual has a particularly poor record, they will suffer the consequences. However, when it suits them, they also treat people as part of a group that has an alleged poor record, and increase the premiums accordingly. This never seems to work in the opposite direction.

Mr Thoresen suggested that my constituent continue to try to secure insurance through a specialist broker, and he very kindly gave me the details of four specialist companies for him to approach. My constituent contacted me again in the middle of October, having contacted all four companies. Of the four, three would not offer him insurance at all, and the one company that did so wanted about £750 a month. That amounts to well over £9,000 a year. I have absolute confidence that my constituent is an excellent minicab driver, and I am sure that his customers must be among the happiest in south London, but I am also fairly certain that he does not make enough money to pay £9,000 a year in insurance costs.

In the Financial Secretary's response, he also said:

> "Research has indicated that no age groups are specifically excluded from the insurance market".

I suggest to him that it is unnecessary specifically to exclude anyone if they are being offered a price that is completely and utterly unaffordable. Theoretically, everyone in this country can go and stay at the Savoy—there is not a sign outside saying "No riff-raff"—but most people would not consider doing so because they cannot afford it. Similarly, in this case, that insurer made the cover so unaffordable that it might just as well have banned my constituent from having it. He and I have no objection to the need for an increase, but we object to the scale and disproportionate nature of that increase. All he wants to do is continue to pursue his livelihood and not have to depend on benefits.

David Rutley (Macclesfield) (Con): The hon. Gentleman is making some important points. Does he agree that there might be scope for some new products in the motor insurance industry that could be tailored to older or younger drivers and perhaps designed around themes such as pay as you go? Such products could be made more affordable if they were tailored to specific age segments that have different risk profiles from those of the average driver.

Jim Dowd: I am grateful to the hon. Gentleman for that suggestion. I said earlier that the insurance market should be more personalised, rather than more generalised. Companies should certainly look into that. I fear that, because the motor insurance sector is a captive market, we do not get the level of service that we would get from, say, the home insurance sector, because it knows that everyone has to have insurance if they want to drive on public roads. I agree with the hon. Gentleman, however, that products should be tailored more specifically to the individual.

As I said, my constituent wants to continue to work. He does not want to become dependent on benefits. Some years ago, the then Secretary of State for Employment was famously misquoted as saying that people should get on their bikes to find work. The present Secretary of State for Work and Pensions advised people in south Wales to get on the bus and go to Cardiff to look for a job. My constituent wants to get in his minicab and work, but the insurance industry will not let him.

7.19 pm

Roger Williams (Brecon and Radnorshire) (LD): I welcome this opportunity to speak in the debate. I want to say a few words about young drivers, the insurance industry and Government policy. I have some sympathy with the excellent points about why the industry is being pushed into charging ever higher premiums, but the premiums young people are charged are very high indeed. Many would argue that that is for good reason. Premiums have been quoted this evening of £2,700 for a newly qualified male driver. I shall quote a few statistics that might substantiate that.

One in five young drivers will have an accident in their first six months on the road, and 17 to 24-year-olds make up 12% of insured drivers but 25% of claims. An 18-year-old is three times more likely to be involved in a car accident than a 48-year-old, and young drivers tend to be involved in more serious accidents than older people, with the average claim for a younger driver being three times more than that for older drivers. Men between the ages of 17 and 20 are seven times more likely to be killed or seriously injured on the road than all male drivers. I thank the road safety charity Brake for supplying me with that information. There is a clear cost to insuring young drivers.

More tragically, every year 3,300 young drivers and passengers are killed or suffer life-changing injury as a result of road crashes. In rural areas there is a lack of public transport so young people need to drive, and I am absolutely not discouraging them from doing so. Many wish to have the opportunity of independence from their parents and, not having public transport, take to driving, but we must ensure that young people are as safe as possible, not just for their sake but for passengers and other road users and pedestrians.

In my constituency in 2006 we had the tragic loss of life of four young girls on Llangynidr mountain, and this summer a young girl from Hay-on-Wye was killed in a neighbouring village in Herefordshire. Many of these tragedies can be avoided. I have worked with Brake and with Sarah Jones of Cardiff university on graduated driving licences, whereby restrictions are placed on newly qualified drivers. The proposals supported by Brake are, first, a restriction on the number of young passengers in the car. Often the excitement of first going out and having friends in the car leads to reckless and ill-considered driving. There should be no driving for young newly qualified drivers between 11 pm and 6 am, unless for work purposes. There should be zero tolerance of alcohol, and no driving on motorways. This is not a radical plan. Countries with a form of graduated driving licence include New Zealand, Australia, much of Canada and 48 of the American states.

Mrs Ellman: Is the hon. Gentleman aware that the Transport Committee considered this issue in the previous Parliament and made precisely the same recommendation as he is making now? The then Government did not respond positively; perhaps this Government will.

Roger Williams: I was aware of the report, and I have met the Minister in this Government. While he understood my good intentions, he was not able to reciprocate positively.

Jonathan Evans: Rather than go down the route of legislation, might it not be a helpful preliminary step if the insurance industry reduced the premium provided that people accepted the proposals he has made on driving behaviour? That would not require legislation and might ultimately encourage better driving habits.

Roger Williams: That was precisely the comment that the Minister made to me. I commend the work of Co-operative Insurance and other insurance companies, which have come up with their own graduated driving licence scheme. A smart box in the insured car monitors many aspects of the driver's habits, including speed, cornering and the time the car is driven. The driver is given a quarterly cashback payment according to their driving score. The data collected from a sample of 1,300 young drivers show that almost four in five consistently drive within the speed limits, and 40% of males and 41% of females achieved the top score in all categories.

So either through Government policy or by persuading insurance companies to take up similar measures, we can reduce the number of accidents on the road. That will not only bring down the costs of everyone's insurance premium but, far more important, prevent many fatalities on our roads.

7.25 pm

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Liverpool, Riverside (Mrs Ellman) on introducing the debate. Car insurance and premiums is a big issue in Northern Ireland. Just two weeks ago the hon. Member for South Down (Ms Ritchie) secured an Adjournment debate on insurance in Northern Ireland, for which Northern Irish Members were present. It is good to be involved in the bigger issue for the whole of the United Kingdom, because we are part of the UK and as such we are concerned about the issue.

The Consumer Council for Northern Ireland has produced figures demonstrating that the cost of car insurance is comparatively higher in Northern Ireland than in England and Wales. It is accepted that there is a disparity, and the insurance companies and many other people understand that to be the case. There is, however, a lack of understanding and analysis of the factors that have resulted in the higher costs.

There has to date been a lack of informed discussion about the cost of car insurance in Northern Ireland. The premiums for us are clear, and those of us who pay their insurance are aware of that.

Mr Nigel Dodds (Belfast North) (DUP): On average, premiums in Northern Ireland are 84% higher than in other regions of the United Kingdom—a startling figure given the high cost of insurance premiums across the UK as a whole. My hon. Friend is right to point out the particular problems in Northern Ireland.

Jim Shannon: Clearly, the fact that premiums are 84% higher shows what we in Northern Ireland have to bear. Part of the role of the cross-departmental ministerial Committee is to address that issue.

Premiums are high in Northern Ireland, but the number of compensation claims is falling, whereas in England and Wales it is increasing. The number of claims notified to the compensation recovery unit has reduced by 23% in Northern Ireland over a nine- year period, and over the same period it increased in England and Wales by 17%. It is a clear disparity—84% dearer insurance to start with, despite the fact that our claims are reducing. We have to ask why premiums are so high in Northern Ireland.

In 2009 the CRU was notified of 29,467 claims for compensation. In 2010 the county court of Northern Ireland made awards in only 768 civil bills for personal injury claims. The vast majority of claims are dealt with without the need for determination by the court. Again, claims are down but we are paying extremely high premiums.

In England and Wales a claim for damages arising from personal injury will routinely involve detailed claims for future caring costs. In Northern Ireland, these costs are reduced as injured persons will often be cared for by family members. That is perhaps the nature of us in Northern Ireland, but it is a factual example. In 2010, 87% of awards for personal injury in the county court were for less than £5,000. When there are claims, the average claim is small. That is important to note.

Karl McCartney: Does the hon. Gentleman know whether the reduction in Northern Ireland is a result of insurance companies still having plenty of assessors who look at claims and make sure they are not fraudulent or as high as they are in England and Wales?

Jim Shannon: I am not aware of all the details. I am aware only that compensation claims are down. The value is down, as well as the numbers. That indicates that we deserve consideration when it comes to premiums. That is the point I am making.

A number of the factors that are thought to have contributed to the rise in the cost of insurance premiums in England and Wales are absent from Northern Ireland—again, it is important to draw the comparison. The absence of no win, no fee agreements means that those in Northern Ireland who are seeking compensation must invest their own funds—perhaps that explains the previous point—before a legal claim can be brought. Alternatively, a solicitor's practice may be willing to fund the outlays. This dissuades unmeritorious litigants. Furthermore, in England and Wales a successful plaintiff's solicitor can claim a success fee, which can increase legal costs by up to 100%. There is no provision for success fees in Northern Ireland.

The insurance market in Northern Ireland shares a number of characteristics with England and Wales. The same advertisements are shown on TV. Admiral Group advertises on TV, as does Churchill, but underneath, the wee small print says, "Not available in Northern Ireland." So although Churchill says, "Oh, yes" to every question he is asked, that does not apply to Northern Ireland, so there is clearly an issue to be addressed. The insurance market in Northern Ireland shares a number of characteristics, but not the price. That is the point we want to make.

Some time ago I had the opportunity to go with some of my constituents to meet the Department of the Environment in relation to a suggestion we were making. Perhaps the Minister in his response, as well as the Committee, will take this on board to see how we could reduce premiums and fees in Northern Ireland. One of the suggestions that was made concerned a new scheme that exists in parts of America and Europe, whereby a gadget, for want of a better word, is put in cars that monitors the speed and the mannerisms of the driver. That feeds back to a central place. That reduces fees because if drivers transgress, on the principle of "Three strikes and you're out," they lose their premium reduction. That might be a way of addressing some of the issues.

Mike Penning: It is not for me to publicise which companies do that, but, as we heard from the hon. Member for Brecon and Radnorshire (Roger Williams), at least one of them does, and there are several available on the market.

Jim Shannon: It is not for me to advertise those firms either, but I understand that they do good work and there are good possibilities for young drivers.

We want to make it clear, first, that the number of insurance providers operating in the market is lower than in England and Wales, restricting choice for consumers and reducing competition within the market. Secondly, there is a small number of accident management companies operating in Northern Ireland. There is some suggestion that costs are higher when accident management companies are involved. Despite the point that was made earlier, that may be a contributing factor and requires consideration. Lastly, the fact that Northern Ireland is a rural community with a dense road network and high levels of social need requires specific consideration.

Northern Ireland Members of Parliament have a duty tonight to highlight the imbalance in insurance premiums between Northern Ireland and the rest of the United Kingdom. We believe that, as the hon. Member for Liverpool, Riverside said in her submission, a review is needed. Northern Ireland needs to be part of that cross-departmental ministerial committee. We look forward to its conclusion and to a reduction in fees for car drivers and for those who have to pay such high insurance premiums in Northern Ireland. I support the proposal.

7.34 pm

Iain Stewart (Milton Keynes South) (Con): As a member of the Transport Committee, I am pleased to have an opportunity to take part in the debate. I pay tribute to the hon. Member for Liverpool, Riverside (Mrs Ellman) for introducing the Committee's report so ably and comprehensively. I do not intend to speak for long, but having spent a considerable time examining the issues, there are a few points that I would like to place on the record.

Two weeks ago two events happened to me that crystallised in my mind the facts that we are debating tonight. First, I received in the post my motor insurance renewal notice from my insurance company. I can assure the House that it was not a happy moment in the Stewart household, because my premium had shot up by the order of 25%. I shopped around a little and got a slightly better quote, but it was still a substantial increase on last year, despite my having had no accidents.

Secondly, no sooner had I signed up to the new policy than I got a text message suggesting that as I had had an accident in the past three years, perhaps I required assistance to claim compensation. As I said, I had had no such accident. It strikes me that those two experiences,

[Iain Stewart]

which I am sure have been shared by thousands, if not millions, of people up and down the country, are not unlinked.

Although I accept that, as the Select Committee's report sets out, there is a range of reasons why insurance premiums have gone up considerably in recent years, from the evidence that I saw as part of our inquiry, together with private discussions that I have had with some insurance companies, I am convinced that it is referral fees for personal injury claims and the activities of some claims management companies that have been a significant contributor to the growth of those premiums.

I do not doubt that there may be perfectly respectable claims management companies, but I am of the view that the current arrangements whereby lawyers and others can pay and receive fees for referring personal injury claims has created an industry that pursues claimants for profit. Although I do not want to see anyone who has a genuine claim denied proper compensation, far too often those proper boundaries are breached and there is a financial incentive throughout the system to exacerbate claims or make fraudulent ones.

It has been difficult to obtain exact figures, but there is certainly an average sum of several hundred pounds in each claim which sloshes around the system in ways that are very opaque. The cost, of course, is picked up by the policyholder. This creates a double problem. For the honest motorist, that pushes up premiums at a time when many households are struggling to meet the cost of living.

Dr Sarah Wollaston (Totnes) (Con): Further to the unfortunate shock that happened in the Stewart household, may I tell the House about the unfortunate shock in my household when I received a notice saying that I did not need to take any further action to continue my insurance with Tesco, but the small print indicated that the premium had gone up from £900 to £5,700 as I am the parent of a 17-year-old boy? It is a further sharp practice that the small print is not there, and it would have been very easy to miss the fact that I could have spent nearly two months' salary on insuring my 17-year-old boy. I think everybody in the House would agree that it would be entirely unreasonable and very difficult for anyone living in a very rural area, as I do, for my son not to be able to drive.

Iain Stewart: My hon. Friend makes a powerful point. The shock in my household cannot even begin to compare with that in Totnes. She raises an extremely important point. Many of us will pay our motor insurance premiums by a monthly direct debit, and among all the paperwork that we receive it is very easy to say, "Yes, we'll continue with that policy," and then suddenly the premiums that we are paying shoot up. I echo her call for much more transparency and explanation on the renewal documents about what the new cost will be.

The first problem I identified is that the premiums go up, placing a strain on households that have tight incomes, but another problem is that premiums are pushed up to such a level that other, less honest motorists seek in some way to evade paying their insurance, and other Members have alluded to that. They will either not have insurance at all, or they will in some way make fraudulent claims on their insurance policies to try to minimise payments. That creates a vicious cycle; the more people evade payment or misclaim on their policies, the higher the costs that honest motorists have to bear.

The destination of those fees and the routes by which they travel are far from clear, but I have been surprised to learn of some of the organisations that potentially gain a sizeable income from referral fees. For example, it has been suggested to me that trade unions receive significant income, either directly or through benefits in kind, from referral fees. I have been unable to quantify that, but Lord Justice Jackson states in his review of the cost of civil litigation:

> "Trade unions refer the personal injury claims of their members to solicitors on union panels…For example, one union informs me that it receives a referral fee of £200 for every case which proves to be *"worthy of investigation"*. Other trade unions do not charge referral fees as such, but instead receive certain free legal services from solicitors for their members."

I am in no way suggesting that that is wrong, but it illustrates the opaqueness of the system and the fact that money can be distributed in ways that people might not first realise. For that reason, I am glad that the Government have taken action to ban referral fees through the amendments made last week to the Legal Aid, Sentencing and Punishment of Offenders Bill.

I would be grateful if the Minister could clarify one point on that—I appreciate that it was not his Bill and that he might wish to speak with the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly) about it. The new clause added to the Bill last week defined payment for referral fees as "any form of consideration". I presume that that will include the offset models to which I have referred, where legal services are traded rather than cash, but I would be grateful for clarification.

I strongly believe that the ban on referral fees will help to strip out some of the unnecessary costs in motor insurance. There is a balance to be struck between providing fair access to justice and having a system that is wide open to abuse in a "something for nothing" culture. I believe that the pendulum has swung too far in the latter direction and I am glad that the Government have taken action on referral fees. However, as the Transport Committee's report recommends, there are many other causes behind the rising cost of premiums and they often cut across Government Departments.

In conclusion, I urge the Government to take on board the motion's final recommendation, which is also set out in the Committee's report. A cross-departmental ministerial committee should be set up to consider further ways of reducing the cost of motor insurance.

7.43 pm

Julie Hilling (Bolton West) (Lab): As a member of the Transport Committee, I, too, pay tribute to our Chair, my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman), for leading the debate. The ever-rising cost of motor insurance simply cannot continue, and it is the only insurance that is compulsory. It is up to an individual, and perhaps their mortgage company, to insure their house, their holiday or anything else, but the law states that we must insure our cars and motorbikes; we are a captive audience. That is why it is absolutely right to debate the issue this evening.

Insurance premiums are bad enough for mature motorists, but for young drivers they are frankly ridiculous.

They lead to young people finding solutions that are against the law. Research from the AA shows that more than a fifth of drivers under the age of 25 are prepared to break the law to avoid high insurance premiums. It shows that 21% would consider driving without insurance, 42% have changed the information they provide to an insurance firm to qualify for a cheaper policy, 22% have added another driver to their policy, 15% have changed whether they were the main driver, 3% have changed their employment information and 2% have changed information about their address.

All over the UK, otherwise law-abiding citizens are breaking the law to get affordable car insurance. For example, cars belonging to young people are being insured by their parents, with the parents registered as the main driver even though they never drive the car. Tragically, if one of those young people has an accident, their claim might not be met by the insurance company. It is bad enough to lose their car and possibly be prosecuted, but what about the person they might hurt?

Some young people are finding unique ways of overcoming the problem. For example, 18-year-old Chris Berry from Bolton was quoted £17,800 to insure his P-reg VW Polo. He is now using a 1953 Fordson Major tractor to get around, with an insurance premium of £57 a year. He said:

> "If I had the choice, I'd have my car—I can go further in it and it would be much better in the rain. If you are image conscious, I don't think you would drive the tractor…but it can go 40 mph on a good day"

He also told *The Bolton News* that the insurance company rang him up after he received the quote for nearly £18,000 to ask him whether he wanted to take it out. He said:

> "I told them they were having a laugh—it's a Polo, not a Ferrari"

Of course, no insurance company would offer him any sort of quote if it was a Ferrari.

Jim Dowd: I just want an assurance that he is not using red diesel for non-agricultural purposes.

Julie Hilling: I do not think so, although perhaps that is worth investigation.

We have heard much over the past few months about referral fees, which the hon. Member for Milton Keynes South (Iain Stewart) mentioned. I am sure that other hon. Members will talk about that in detail, so I will confine my remarks to just a few points. I believe that referral fees must be stopped, but they should be stopped for the whole of a motor claim, not just the personal injury part. I also believe that the money paid to solicitors in the motor insurance portal should be reduced to an amount that simply covers the true cost of dealing with a case. While there is spare money in the system, there will always be a tendency to find another way of bypassing the ban. For instance, there is money to be made in referring claims for vehicle repairs. The Committee also heard about how credit hire cars are supplied to accident victims, rather than normal hire cars, which are much cheaper. We heard how insurance companies will pass claims to claims management companies, thereby building more costs into the system.

Although I agree that referral fees should be banned, the insurance industry should do more to tackle the situation. I challenged a number of insurance companies and their professional bodies to look to themselves for solutions. Whenever I have been involved in a claims situation, my first port of call has always been to my insurance company. Perhaps naively, I have expected it to sort the situation out. In times gone by there was the "knock for knock" policy; one's insurance company funded the repairs to the vehicle, even if the fault was with another driver. I am told that the increased number of insurers in the industry and its internet basis stopped that policy.

The last time I had to use my insurance, I was clearly sold to a claims management company. Instead of the normal car hire company, I had a credit hire car, although I did not know anything about that at the time. I was contacted many times to claim for the "injuries" I had received, even though I had been sitting in my living room when someone drove into my car. Why did my insurance company not provide the necessary services itself and charge the other person's insurer, or pass my case on to the other insurer to deal with?

I also believe that insurance companies could do far more to reward good drivers. The Pass Plus scheme was introduced to give additional post-test instructions to novice drivers, such as motorway driving, driving at night, town centre driving and so on. Initially that reduced premiums, but it seems that people with Pass Plus are no longer being rewarded. We have been told of schemes that can introduce technology into cars to show if a person is driving safely, for example when they are driving within speed limits and whether they accelerate and brake gently. I believe that the insurance companies should do more to promote such schemes.

We have been told about the very high propensity for young drivers to have serious accidents, but in truth it is not young drivers but young, male drivers, and I regret the European ruling that insurance premiums should be equalised for men and women. Insurance has always been based on risk, and it seems perverse that the ruling will end up costing women a great deal more because of the risky behaviour of men and, particularly, young men.

More regulation should therefore be introduced for novice drivers, and I should welcome a mandatory "newly qualified" plate, which exists in other European countries, because it would have two advantages. First, it would warn experienced drivers that the person in front just might do something a little out of the ordinary. Indeed, I remember the first time that I drove alone, along a country road, and a lorry decided to overtake me. I was absolutely terrified, but I am sure that the driver would have thought twice if he had realised that I had passed my test only the day before.

Secondly, the plate could be used to identify drivers on the road in order to enforce other restrictions that should be in place. We hear tragic stories of young people losing their lives or having life-changing injuries after car accidents, and normally the driver is found to be alcohol and drug-free, but I suspect that they are fired up on testosterone. Young drivers should not be allowed to carry backseat passengers, and we should investigate other restrictions to make our roads safer.

I hope the Government make rapid progress on making the driving test more rigorous and on ensuring that all drivers are prepared for many more of the situations that they find on the roads.

[Julie Hilling]

I was alarmed to find out recently that about 10,000 people are driving on our roads with more than 12 points on their licences, so I urge the Government to investigate that urgently and to take action. Previously, there was an effective carrot and stick: if someone built up their no claims bonus, they got cheaper car insurance; if they got endorsements or points, their insurance premium went up; and if they got three endorsements or 12 points, they lost their licence. We need to do more to ensure that good drivers can afford to drive, and I hope that the Government will take urgent and comprehensive action.

7.51 pm

Mr David Ward (Bradford East) (LD): Just after I was elected, I was asked to go to a local mosque to meet a group of young men who wanted to talk to me about various issues in the BD3 area of Bradford. It soon became apparent, however, that the main issue that they wanted to discuss was unaffordable motor insurance. Tales were told of people having to give up the ownership of vehicles used for family purposes and, more worryingly, of people having to give up the ownership of vehicles such as taxis, which were used for businesses and as part of their livelihoods. Even more worrying, I guess, were tales of friends who used Leeds postcodes when applying for insurance, despite living in Bradford, as the only way—fraudulently, of course—to obtain affordable motor insurance.

I undertook to determine the extent of the problem locally, and to see what proceedings had already taken place in Parliament to address the issue. It quickly became clear that Parliament did indeed take the issue seriously, especially through the work of the Transport Committee. It was useful to see the work that took place during the previous Parliament, and I am delighted that it has continued into this Parliament on such an important issue. Indeed, I welcome the Committee's dogged and persistent pursuit of it.

We distributed about 15,000 local survey forms, and incredibly almost 2,000 were returned. In fact, they are still coming back. The respondents to the survey have seen their premiums rise by more than 60% in the past two years, at an average of just under £900, and their responses show that many Bradford residents are well aware of the role that personal injury claims play in pushing up total claims and, therefore, premiums. Many people have reported being pressurised to make bogus claims, and often by reputable firms of solicitors.

We carried out interviews with the police, insurance brokers and companies, driving instructors, GPs and, of course, numerous affordable-insurance-seeking drivers in order to get their views, and we produced a report and held a summit meeting to report back on the work that we carried out. What became apparent was that almost everybody we talked to had their own pet reason why insurance premiums were high. Whoever we talked to, they would say, "This is why they are so high."

Many members of the public blamed uninsured drivers, and unfortunately we have the dishonour of topping the hit parade for uninsured drivers. I think that we have held it for several years in the BD3 community, and during our survey we often heard the question, "Why don't the police do more about it?"

The police pointed out that the cost of uninsured drivers—the Transport Committee covered the point, but not a lot of people know this—is about £30 per premium, and it plays a part in high premiums but not a tremendously large part in excessively high premiums.

I went out with the police on a dawn patrol—all very exciting—in a vehicle impressively equipped with the latest, unbelievable technology for automatic number plate recognition. We have a ring of steel in Bradford—fixed cameras—but the technology in our vehicle enabled us to see all the number plates coming towards us and going away from us. They pinged up as information came through about vehicles that the police had an interest in, not necessarily just those that were uninsured.

Within 60 minutes of leaving the police station, we had identified an uninsured driver, the car had been seized and it was on the back of a trailer on its way to the compound. The car probably ended up being crushed. It would have been held for a period, but probably the owner just went to the next car auction and replaced the vehicle—and off he went again.

The police do impressive work—they seized 2,000 vehicles during the previous 12 months—but the level of fines has to be investigated. There is a difficulty for magistrates, because they have to take into account the ability to pay of the person being charged. It seems a simple solution just to increase the fine, but if the person cannot pay the penalty it does not really matter whether it is £300 or £3 million because it is not going to be a deterrent.

Karl McCartney: The hon. Gentleman may have heard my speech, in which I made precisely that point. Fines have to be such that uninsured drivers definitely insure themselves. Unless they are increased in the magistrates courts and elsewhere, such drivers will not be forced to do so. What does the hon. Gentleman think?

Mr Ward: Absolutely. When the fines are so much lower than the premiums, there are bound to be people who take the risk of getting caught, and it completely undermines the public's confidence in the system and, indeed, the police. If fines are to be a proper deterrent, surely they should at least reflect the amount that the driver would have had to pay had they not avoided paying insurance.

Sammy Wilson (East Antrim) (DUP): Given that the fine system is clearly not working, does the hon. Gentleman agree that one way we could deal with the issue would be to ensure that when someone purchases a car, whether from an auction, a dealer or wherever, they need to have proof of insurance before they can leave the premises? In that way we would have someone checking before the car ever got on to the road.

Mr Ward: Absolutely. I mentioned all the survey returns that we received, and we asked for people's suggestions on how they would improve things. Several respondents suggested a gibbet in the centre of Bradford, but the hon. Gentleman's point is useful, because there is no shortage of suggested solutions. I am not aware of the processes and protocols of the House, but, rather than relying all the time on the Transport Committee to resurrect and pursue the issue, we could establish a small all-party working group to consider many of the ideas that are coming forward and constantly keep up the pressure. For a number of years, there has been a spiral of ever-increasing insurance premiums, and we need to reverse that. We need to keep constant pressure on the system until we bring premiums down.

We considered the issue of road accidents. Our initial, intuitive position was that there are a lot more accidents and that that explains the situation; but of course the opposite is true. Road safety experts revealed that the number of car accidents had fallen dramatically. Driving instructors called for more stringent testing—I suppose they would—and, indeed, for post-test tests to take place perhaps a year or six months after the original test to deal with some of the issues involving young drivers. However, that did not seem to offer a solution to the murky world of personal injury claims that became apparent. There is an increasing number of claims and the cost per claim emerged through discussions with brokers, who candidly told us that £3,000 was the going rate for a personal injury claim. It is widely known in the community that insurance companies are willing to pay out because it is a quicker and less costly course of action than challenging claims, even when they suspect claims of being opportunistic and fraudulent.

One driving instructor was full of genuine, deep sympathy for young drivers. He said that many good drivers simply cannot afford vehicles. There is a problem when a young driver passes their test and cannot afford to drive for probably a year or 18 months but they then jump into a car. Putting that to one side, the driving instructor was sympathetic to young drivers who had passed their test, but who were unable to afford insurance. However, he then said, "I did it, you know." I said, "Well, what exactly do you mean?" He said that he was giving a driving lesson to a young woman and that they were involved in an accident that was not their fault. There was minor vehicle damage and no personal damage at all—or so he thought.

The next day, the woman returned after a discussion with family members who were clearly more streetwise than her. She told the instructor that, over night, she had developed a neck pain. They both ended up claiming and received more than £2,000 each plus £3,000 for the car repairs—simple as that. I went to see the police and said, "Well, surely you can do something about the matter." The police said that it is very difficult to prove fraud in such cases. In fact, they had managed to catch only one person who was guilty of fraud. That case involved an accident after which somebody had immediately jumped out of the car, lain on the floor and called for an ambulance. The person then realised that they were not insured, so they rang their brother and got him to lie on the floor. That fraud was, in fact, detected, but that example shows the difficulties.

People talk about the compensation culture, but what is interesting—I am fascinated by this—is the immoral stance taken by many people who are otherwise good and honest. They would never drop a sweet wrapper or let their dog foul the pavement, and yet they get involved in this world of fraud. Many people believe that they should not have been asked to pay so much for their insurance in the first place and that it is not wrong to try to get some of that money back through a fraudulent claim. It is almost as if people feel they are getting back something they are entitled to. Good people are, sadly, doing bad things.

Sammy Wilson: The hon. Gentleman is right: there is that culture, which is encouraged by people's experiences, their friends' experiences and sometimes the advice they are given by their legal advisers, solicitors and so on. However, does not the fact that insurance companies almost appear to roll over if a personal injury claim is set below a certain level encourage people to make such a claim? The hon. Gentleman is right to point out that fraud is sometimes hard to prove, but one thing insurance companies perhaps ought to be doing is to fight more of these cases, so that if people want to get this money, they have to put up some evidence in court. That might deter some of these applications.

Mr Ward: That is absolutely right; we need someone to take on and challenge the system. Over the years it has clearly become easier just to recoup the money by doing the same to someone else. That is what has happened in the system. Insurance companies have been guilty of such an approach and they have had to respond to what other companies have done. Those other companies have then also had to do it, and so the cycle goes on.

We considered the various component parts of the matter: whiplash injuries, referral fees, personal injury lawyers' costs and many of the things that have been covered in great detail by other speakers and the Transport Committee. The overall conclusion was that there was not a simple solution to the problem of unaffordable car insurance and that, in fact, it is a complex and deeply flawed system. None of the component parts can be removed: they all fit together to create the system and they all need to be dealt with individually. We need a batch of measures, each one designed to deal with the component parts of what has become a crazy, crazy system.

Our work over the summer generated a number of case studies, some of which would be funny if they were not so serious. I was contacted in January by a teenager who had been quoted £26,000 for third party insurance on a 1.1 litre Citroen Saxo. When I raised that with the local paper, I was contacted by other young people who had received even more ridiculous quotes. One young woman was quoted a figure of £53,000, which was the record. I think we can take it that the insurance company did not want to insure that person. Clearly such premiums are unaffordable for anyone, even those with an extremely high disposable income.

The young seem to be particularly affected, but they are not the only ones experiencing problems. The hon. Member for Lewisham West and Penge (Jim Dowd) mentioned an incident concerning an elderly gentleman, which shows that the issue affects everyone. During the summer, I was visited by various reporters and journalists as part of my investigation. The comical thing was that invariably, after the interview or the filming, the journalist or the cameraman or woman gave me their story or that of their nephew, niece, son or daughter. They all had a tale to tell and were of the opinion that something had to be done.

A recent case study is worth considering because it is about an ordinary person. A gentleman and his wife owned a 2007 Vauxhall Corsa that was in decent condition. He had held his licence for 17 years and had had no accidents, and his wife had held her licence for five years and had had no accidents or claims. He had a nine-year

[Mr Ward]

no-claims bonus. In 2009-10, he paid £600, the next year he paid £800 and the next year £6,200—no accidents, no claims, no difference. Another sad thing about that case is that the gentleman has recently become unemployed, and because of that his insurance premium has gone up. How does that make sense?

That case study reveals the impact of the postcode lottery, which is an issue that has not been raised because it is difficult to do so. I mentioned that my very first meeting was in a mosque. There is a huge community cohesion issue because people say, "The reason we are paying a lot is because of those people over there." That is why I was so keen to get involved in this campaign at the beginning. The young men I met were living in an area with ridiculously high insurance premiums.

Graham Jones (Hyndburn) (Lab): People such as taxi drivers have been particularly hit. As other Members have said, taxi drivers' premiums have risen exponentially and they are suffering greatly—far more in fact than the constituents who write to me because they are suffering. In my constituency, there is a second issue with taxi drivers, and I wonder whether it is the case elsewhere. Very few companies now want to insure taxi companies, and that is probably why the fees are more exorbitant. In my constituency, only one or two insurers will insure taxis in my postcode area. Is that something that the hon. Gentleman is familiar with and would like to comment on?

Mr Ward: The hon. Gentleman makes a good point about the branding of people. Whether it is taxi drivers or all those who live in the BD3 area, the assumption is that because they are from that area they are all contributing to the high insurance premiums that we are paying. That is very unfair and also very dangerous as regards the cohesion of the wider community.

The report that we prepared concluded with a whole range of measures, and many Members have come up with additional measures. I conclude by again paying tribute to the work of the Select Committee, which needs to keep driving this. The title of our report was "It can't go on like this", and we all know that it cannot go on like this. If we all work together across the House we can slay this monster.

8.11 pm

Ms Margaret Ritchie (South Down) (SDLP): I congratulate my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) on tabling this motion for debate. As the hon. Member for Strangford (Jim Shannon) said, some two weeks ago I had an Adjournment debate on the cost of motor insurance in Northern Ireland. A Minister from the Treasury responded on that occasion, and I found that useful, but many issues are involved in the rising cost of insurance premiums in Northern Ireland.

Drivers in Northern Ireland are subject to excessively high insurance costs that are rapidly rising year on year. I appreciate that the problems are not unique to Northern Ireland, but they are particularly striking in our case. We have found in our research that consumers in Northern Ireland have less choice of insurance providers, with three times fewer companies offering car insurance. In August, as the hon. Member for Strangford stated, the Consumer Council for Northern Ireland launched a campaign to highlight the cost of car insurance, and I fully support that. The Minister is no doubt aware that the Office of Fair Trading subsequently agreed to undertake an investigation into the car insurance market with a specific focus on Northern Ireland. We must robustly establish why premiums have increased by a reported 40% in the 12 months to March 2011 and why insurance costs are significantly higher in Northern Ireland than in comparable regions of Britain. Indeed, we must not only assess that but redress it. The findings from the OFT must be robustly addressed and the resulting measures must have teeth.

Some of the evidence produced has suggested that car insurance premiums in Northern Ireland have increased by almost 73% in the past two years. The situation is even worse for younger drivers, whose premiums, according to research, have increased by 112%. Young people face severe difficulties in entering the job market, and the prohibitively high cost of motor insurance is yet another barrier to their finding work. Only yesterday, I received a letter from a constituent who highlighted a problem he had encountered with his son. He said that approximately three weeks ago he received a quote to renew his insurance with his 18-year-old son on the policy, and to say that he was shocked at the price would be a gross understatement. The price quoted was £2,488.92, which he simply could not afford. He rang a number of insurance companies and was quoted between £2,800 and £4,000 to cover his son. The first company told him that it would drop the price to £2,200, but it was still beyond his means to pay such an amount.

My constituent said that the sad part of the situation is that his son has now been forced off the road due to the exorbitant price of car insurance in Northern Ireland. He will not be able to stay on in his part-time job, as his father's working schedule does not allow him the time to leave and collect him when he requires transport. My constituent feels strongly that something needs to be done to help young drivers to stay on the road and travel to their jobs, even if they are part-time, or even if they are students pursuing their studies, and thereby do their bit to help get the economy in that part of the world up and running again. He says that it was tough to have to sit his son down and tell him that as from 15 November he will not be able to allow him to drive. That young boy not only showed remarkable courage but is a very sensible young adult, and he is being penalised by insurance companies for the actions of others. It has been suggested that those companies are quick to label some young drivers as boy racers, and that needs to be addressed.

All these problems are compounded by the restricted range of companies offering premiums in Northern Ireland, which limits competition and drives up prices. I urge the Minister to address and where possible, working with others, to remove any barriers to companies that wish to enter the market, particularly those in Northern Ireland. Obviously, that means working with Ministers in the Northern Ireland Executive.

Two fundamental arguments are put forward to justify the high costs of motor insurance in Northern Ireland: first, that Northern Ireland is a case apart because its demographics and road layouts bring an increased risk of incidents on our roads; and secondly, that Northern

Ireland's legal system places a higher burden on insurers. The evidence that Northern Ireland has a very young population is greatly exaggerated; indeed, we have a proportion of young people similar to that found in many regions in Britain. Likewise, a lack of motorway coverage has been cited as a reason for increased premiums, because statistically motorways are the safest road type. However, maps show that Northern Ireland has a relatively consistent motorway density compared with regions in Britain and in Europe. Moreover, some of the fundamental actuarial evidence regarding the number of accidents, claims and casualties on our highways weighs against any of the debatable factors regarding demographics or road layout. Those facts must be kept at the forefront of our minds when considering the claimed justification for the increased cost of premiums, which are rising at a time when we in Northern Ireland are experiencing a decline in the number of road traffic accidents. The numbers available for the latest year, 2010, show the lowest number of road deaths since records began in 1931. Naturally, every death on our roads is a tragedy, but we must commend the work done to improve safety.

There are some basic facts that are hard to reconcile with rising insurance costs. The number of road traffic accidents reported to the police service has dropped over the past decade from nearly 40,000 per year in 2000 to about 30,000 per year in 2009. The number of compensation claims is decreasing, whereas in England and Wales the numbers are rising. More specifically, according to a National Audit Office report published at the beginning of the year, the number of claims reported to the compensation recovery unit fell by 23% in the decade up to 2009.

In short, the trend is clear: although accidents and claims are decreasing, the cost of insurance is increasing. I ask the Minister again to give detailed consideration to this fundamental point. All these facts weigh heavily against the argument that the demographic or topographical factors in Northern Ireland justify the increasing cost of insurance. Those factors are difficult to relate to the draconian rise in the cost of insurance premiums.

Sammy Wilson: The hon. Lady has done some impressive research into the fall in accidents. It is clear from the statistics on road accidents and deaths that there has been a dramatic improvement even since four or five years ago. For that reason, we should agree that this issue is not about the number of accidents, the demography or the level of claims, but about the lack of competition in the market. It therefore needs to be addressed by the Department for Business, Innovation and Skills and the Office of Fair Trading. They must find out whether collusion between the insurance companies has increased the price of insurance in Northern Ireland.

Ms Ritchie: I thank the hon. Gentleman for that helpful intervention. I agree that the research shows clearly that the lack of competition in Northern Ireland has driven up the cost of insurance premiums. That is an area that the Office of Fair Trading should focus on in its investigation. It should drill down on the nature and cost of insurance premiums in Northern Ireland. We, as Members of Parliament for Northern Ireland, will look at that. The hon. Gentleman, wearing his other hat as a member of the Northern Ireland Executive, is no doubt working with Ministers in Whitehall to address those issues. The hon. Member for Strangford has highlighted the legal issue, so I do not need to elaborate on that.

Many people living on low incomes or in rural areas can simply no longer afford to keep a car on the road. As I have said, many young people and their parents in my constituency have told me of their struggle to secure affordable insurance. They are understandably concerned about the discrepancy in insurance prices between Northern Ireland and other regions in Britain. Households feel that by having to pay excessive insurance fees, they are being unduly discriminated against. That unfair practice has been in place for too long. It adversely affects the young and the old who depend on their cars for work, particularly in areas where public transport provision is limited. Essentially, that means rural communities. There are, shall we say, certain locational issues.

The broader context is that the economy is suffering, with record numbers of young people out of work. That is exacerbated by people's use of motor vehicles being restricted. At this time of economic recession, we need a dynamic, mobile work force. Car insurance being so expensive puts up a barrier to economic success, especially for the young. The unemployment rate among young people is estimated to be 18%—almost one in five cannot find a job. That compares with an overall unemployment rate in Northern Ireland of 7.6%. Excessive insurance premiums adversely affect young people and prevent them from offering the skill of driving to potential employers. In these extremely challenging times, I ask the Minister to consider any measures that would make insurance more affordable for young people, particularly when driving relates to their employment.

In conclusion, insurance costs have a real impact on people, both young and old, who need to be mobile for social and economic reasons. I hope that my short contribution has made clear the scale of the problem faced by motorists. I hope that I have given examples that illustrate that parents are suffering from the undue burden of being quoted high insurance costs for their sons and daughters. They are not able to pay those costs because of the limited financial means that they now have. I believe that the insurance industry must stabilise its premiums so that hard-pressed motorists get a fair deal when they purchase their motor vehicle insurance. I seek assurances from the Minister that he recognises the problem and will act on a cross-departmental basis, as the motion suggests. Supplementary to that, in the case of Northern Ireland, I ask him to work directly with Ministers in the Northern Ireland Executive to address its particular problems in light of any recommendations that come from the Office of Fair Trading report later this year.

8.25 pm

John McDonnell (Hayes and Harlington) (Lab): I will be as brief as I can be, because my right hon. Friend the Member for Leicester East (Keith Vaz) is clearly keen to speak early and at length on the subject of his Adjournment debate, and because everything has been said. Anybody reading this debate in *Hansard* will be impressed by the amount of work and time that individual Members have spent performing research in their constituencies. This subject is close to many of our hearts.

I wanted to speak because when constituents approach us, particularly young constituents, we have a duty to

[John McDonnell]

ensure that their voice is heard in this Chamber. I was approached by a young man called Joshua Deacon, who lives in the London borough of Hillingdon. He has experienced high insurance costs. He did a mini survey and a petition on the internet because he thought that the same must be happening to his friends. He found costs ranging from £2,000 up to about £20,000, which is ludicrous. His survey showed that a number of young people, particularly in my area, which is quite a geographical expanse, used their cars for work or to seek work, but that such costs were preventing them from travelling and driving them off the road.

The other concern that emerged, which has been expressed by other Members, is that the higher the cost, the more people there are who just do not insure themselves. Like the hon. Member for Bradford East (Mr Ward), I went out with my local police, and the first arrest was of an uninsured young person. He was not driving particularly dangerously, but it was obvious from his driving that he was young. When he was pulled over, he was found to have no insurance. The worry, given what is happening in my constituency, is that as unemployment increases and incomes decrease, more and more people will be unable to pay their insurance costs. As a result, there will be an increase in criminality.

As a result of my young constituent's efforts, a number of months ago I put down an early-day motion on this subject. The responses that I received from the insurance companies were exactly as have been reported here. With regard to Northern Ireland, I think that there is a cartel in operation. One particular area of the country is being exploited as a result of the insurance companies working together to produce higher rates. In fact, I believe that is happening more broadly as well.

I have received the same responses from insurance companies as are mentioned in the report. They say that the figures are based on actuarial valuations and on the high level of accidents involving young people. We all understand that completely, but we cannot understand why the situation has not changed despite the fact that we have been knocking the subject around for so long in the House. I pay tribute to my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman), who has persisted with it through the Transport Committee. Time and again, we have come up with a list of suggestions, many of which the hon. Member for Brecon and Radnorshire (Roger Williams) listed. We have suggested graduated licences, restrictions in use, curfew arrangements, limits on the number of passengers and where they are located, and alcohol restrictions. In addition, we raised some time ago the idea of black boxes and speed limiters being inserted into cars.

Sammy Wilson: I can fully understand the hon. Gentleman's point about the cost of insurance premiums for young people, but does he not feel that imposing restrictions on freedom such as curfews on top of high insurance premiums would be unfair, even if it were enforceable? For many young people, getting their driving licence is their ticket to freedom. To tell them that they cannot go out at night or have their friends in the car is not fair, especially when most young people drive responsibly and do not race around the roads causing accidents.

John McDonnell: I fully agree, and that was why, when the proposal for black boxes came up, I thought it was the ideal solution. It would enable someone to demonstrate that they were driving carefully and not at speed. I thought that could have been the technical solution, or at least could have moved us a bit further on. I cannot for the life of me understand why it has not been taken up by the insurance industry as well as it should have been. So far, Co-operative Insurance and others have offered some voluntary schemes, but they do not seem to have had the take-up that they should have done.

The question, then, is how we move forward. We know that a range of solutions could be put in place, and that a technical solution could be introduced on a voluntary basis to give people incentives and reduce their costs. I believe that the next stage is to bring the matter back to the Government. We have tried exhortation in the past, but we need to try it again, as was said earlier. We need another meeting at which we bring all the insurance companies together and exhort them to consider financial incentives for young people. We have such arrangements in acceptable behaviour contracts in other areas. People could sign up to certain behaviour patterns if they so wished, which would enable us to monitor them using technical solutions so that we could reduce their overall insurance costs.

Tessa Munt (Wells) (LD): I wonder whether, when that is being considered, it might be possible to consider the circumstances that two or three of my constituents have found themselves in. Young people have applied for insurance online and the insurance company has agreed a premium and formed a contract with those young people to provide insurance, but has then come back six or eight weeks later with a much increased premium, ostensibly because something was originally incorrect. That has certainly happened to young women in my constituency with the Diamond insurance company.

John McDonnell: It is almost like the policy of excess that has been developed for other insurance costs. I believe that the onus is now on the Government to bring the insurance companies in for a thorough discussion about how we can take forward voluntary arrangements. However, there will come a time, which I believe we are nearing, when if we cannot get in place voluntary arrangements and incentives that work, we will have to introduce regulation.

Like many other Members, I cannot cope any more with driving along the road and seeing shrines to people who have died. The number in my area seemed to be peaking at one point, although I have not looked at the recent statistics. A large number of young people were being killed on the roads, and we would drive down the road and see the bouquets of flowers and the pictures of those young people. It relates to the point that the hon. Member for East Antrim (Sammy Wilson) made about youthful exuberance—young people get their first car and are out on the roads, and sometimes it goes to their heads. They might have their friends with them, and unfortunately it often results in tragedy.

Roger Williams: The hon. Gentleman is making a very powerful case. I know that the hon. Member for East Antrim (Sammy Wilson) made a point about a restriction of freedom, but surely that is the whole point of a driving licence. People have to pass a test, and maybe there ought to be another test for them to pass before they can have unlimited access to a car.

John McDonnell: It is true that we need to consider a whole range of measures. I believe that we need to make another attempt to find voluntary arrangements with the insurance companies, setting out a range of activities that people can sign up to and that we can technically monitor. In that way, we could reduce insurance premiums. However, if that is not brought to fruition, we may well have to move on to regulation. That could mean more testing, and in fact that extra testing need not just be for young people. It could be much wider than that, because it is not just young people who are affected, even though the statistics that the insurance companies produce demonstrate the high number of accidents among young drivers in their first couple of years after passing their test.

In addition, if regulation is to be introduced, and if it involves imposing technical solutions, the insurance companies should bear some of the cost. If it is not willing to work with us in promoting voluntary solutions effectively, it should bear the cost.

To return to an earlier point, this is about reducing costs, but it is also about reducing deaths and accidents. That does not just involve young people, because collateral damage is also done to pedestrians and others. The House has addressed that significant issue effectively in the debate tonight, and now it is over to us to work with the Government to get the insurance companies to agree a strategy that we can monitor over the coming year or so. We can see whether that works, and take legislative action if it does not, to demonstrate our seriousness.

8.35 pm

John Woodcock (Barrow and Furness) (Lab/Co-op): May I add my congratulations to my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) on securing this important and well informed debate, and to the Committee on producing its excellent and timely report?

The eye-watering rises in the cost of motor insurance in the past few years have been one more burden on families already hit by high prices at the pump, food inflation and soaring energy costs. Earlier in the year, annual increases in insurance premiums were running as high as 40%. Although the AA reports that by September the figure had dropped to around 16%, premium increases still far outstrip inflation. The average premium of £921, which my hon. Friend highlighted, means that more than half an average monthly take-home salary is used simply to insure a car.

We know that those likely to be earning least are paying most for their insurance. As we have heard, average premiums for young drivers are more than £2,000. Understandably, motorists resent those huge increases. The overwhelming majority of careful, responsible drivers feel that they are subsidising the careless, the reckless and the uninsured. Increasingly, they are aware that their premiums are increasing as a result of fraudulent or frivolous personal injury claims for non-existent or pre-existing conditions.

Although the Government should not get into the business of setting insurance premiums, Ministers have a responsibility to ensure that the market works fairly and in the interests of consumers. The insurance industry has made a strong case that the 75% increase in the number of compensation claims in the past five years is a key factor in driving up premiums. Increased access to legal redress for genuine injury is a good thing, but responsible motorists paying for insurance fraud is clearly not.

For many, the car is and will remain the essential way of getting around. For some—and, as we have heard, particularly young people—the fast-rising cost of insurance could make the difference between taking up a job that requires a car and being a burden on taxpayers by living on benefits. With job vacancies so scarce, transport to access opportunity needs to be affordable—that relates to motor insurance just as it relates to bus and rail fares.

The sky-high cost of motor insurance for young people has been an important part of the Opposition's policy review. We urge the Government to implement the Committee's recommendations to improve the education and safety awareness of young drivers and to consider further changes to the driving test.

It is important to stress that all drivers will benefit from having safer younger drivers on the road—that point was well made in the debate. Equally importantly, much has been heard about the potential of the black box and the relative lack of take-up so far. I am sure that the Minister will join me in praising insurance providers that use black boxes, but will he make clear what he is doing to encourage greater take-up of the technology among providers?

There is no excuse for breaking the rules, but as premiums rise we know that related criminal behaviour is at risk of increasing, potentially undermining the progress that the previous Administration made in tackling fraud and driving without insurance. The Association of British Insurers recorded a 9% increase in fraud.

Mike Penning: Would the hon. Gentleman be kind enough to tell the House what measures the previous Administration took against uninsured driving? This Government introduced the continuous insurance policy.

John Woodcock: The hon. Gentleman knows that the continuous insurance policy was a measure that was set out by the Labour party and which he has taken forward, which we welcome. According to the Motor Insurers Bureau, however, there has been a 25% fall in insurance fraud and uninsured driving over the past five years, which we welcome and want to see continue.

On tackling uninsured drivers, the Minister mentioned the continuous insurance enforcement scheme, but to work effectively that needs the necessary tools to do the enforcing, so will he tell the House, either now or during his speech, what level of resource the DVLA has put aside to pursue and enable the prosecution of transgressors, and how many drivers who ignore official reminders that their insurance has expired have so far been given a fixed penalty notice under the new scheme?

Last week, the House had the opportunity to debate referral fees paid by claims management companies and personal injury lawyers to insurance firms in return for the details of potential claimants. For the past five or six years, these fees have greased the wheels of a perceived compensation culture, encouraging claims that have little realistic chance of success or which are simply fraudulent. The cost of those claims feed directly back

[John Woodcock]

into the premiums that all motorists pay, so I, too, pay tribute to the work done by my right hon. Friend the Member for Blackburn (Mr Straw) on this issue. His investigation into the scale of the problem and his private Member's Bill put pressure on Ministers to add clauses on referral fees, at the last moment, to the Legal Aid, Sentencing and Punishment of Offenders Bill last week. However, as we made clear then, the Government have so far missed the opportunity to crack down adequately.

I shall list what measures the Government have so far rejected: making the soliciting for and payment of fees in road traffic accident cases a criminal offence; outlawing the blight of unsolicited phone calls and text messages; strengthening the rules on data protection and third-party capture; and tightening the rules for whiplash claims. It is unfortunate that as industry practice has been shown to be driving up costs for law-abiding motorist, the Government are ducking their responsibilities on this issue. If the Minister is serious about keeping premiums as low as possible, I hope that, even at this late stage, he will prevail upon Justice Ministers to change the Government's position.

The Select Committee made the sensible suggestion that the Government examine international experience on restraining claims numbers. It is disappointing that Ministers have refused its idea of a proper study. I hope that they will reconsider. The Committee also rightly pointed to the importance of road safety as another key factor influencing insurance premiums. Despite last week's horrific tragedy—the Minister visited the scene, at the M5 in Somerset, at the weekend—Britain continues to have the safest roads in Europe and among the safest in the world. However, the first two quarters of this year have seen increases in deaths compared with the same point the previous year. A continuation of that trend would mean 2011 would be the first year since 2003 to see a rising death toll on Britain's roads.

It is worrying that these upward ticks in road deaths have come at a time when spending on road safety campaigns has been cut. If the trend of safer roads were to reverse, the country's principal concern—everyone's principal concern—would, of course, be the tragic human cost seen so vividly this week. We know that a knock-on effect of less safe roads would be further upward pressure on insurance premiums. That raises this question: has the Minister estimated what the impact would be on road safety and on premiums of his proposal to scrap the annual MOT—a move that could lead to 800,000 cars that are dangerous to drive being left on the roads for up to a year longer?

Motorists are feeling the squeeze. Many face being priced out of their cars and, by extension, out of their jobs. As the Transport Committee has so effectively set out, those motorists want to know that their Government are doing what they can to enable lower insurance costs. If Ministers wish to prove that they are not out of touch with those concerns, they need to set out how they will go further.

8.46 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): For colleagues who have been here throughout the debate, may I say—I know it is not my brief to do so—that my thoughts and prayers go to the family of the Red Arrows pilot who was killed this afternoon? Our servicemen do a lot for us. I say this as colleagues might not know that, sadly, this pilot died—the second fatality in the Red Arrows this year.

This afternoon's debate has been excellent—led brilliantly by the Chair of the Transport Select Committee, the hon. Member for Liverpool, Riverside (Mrs Ellman). In general, the debate has been sensible, measured and useful to our constituents. I cannot say that about parts of the speech by the hon. Member for Barrow and Furness (John Woodcock), particularly when it became party political. That is not what this evening's debate was about, especially considering that the previous Administration were in government for 13 years and many of the measures he now asks us to bring forward could have been introduced then. The hon. Member for Poplar and Limehouse (Jim Fitzpatrick), a former Front-Bench Transport spokesman was much better in his tone; he never used to read out a speech that was written before and that did not contribute anything to the debate.

To answer what was probably the only sensible point that the hon. Member for Barrow and Furness raised—about continuous insurance enforcement—60% of all those written to, having been shown to be uninsured, have responded positively and were either given a statutory off-road notice or said that they would insure. About £122,000 has been picked up in fines, and 250,000 penalty notices have been issued—in excess of what we expected at this stage of the new piece of legislation.

Let us move on to the general debate, led so excellently by the hon. Member for Liverpool, Riverside. Everyone will be pleased to know that we shall not divide the House on the motion. There is an issue about the committee that is being formed, but I will come back to that in a few moments. Many of the issues I see in my constituency correspondence have been alluded to brilliantly in this evening's debate.

To add to the anecdotal evidence, a member of my own staff was in a road traffic accident the other evening. She was hit from behind; the person got out of the car and was very amenable. My staff member said, "How are you? Are you okay? Do you want to go through the insurance process?" The other lady said, "I'd like to pay you privately because otherwise my premiums will go through the roof." Everything was sorted out fine; no contact was made with the insurers or the police. However, she received a text message asking "Would you like to claim for the injury that you had?" A member of the public had obviously informed those whom I described to the Committee as ambulance chasers. Apparently it is not just the insurers who are passing information around; others also think that they can secure substantial earnings from such events.

Several Members paid tribute to the right hon. Member for Blackburn (Mr Straw). I thank him, in his absence, for contacting me to say that he could not be present this evening. We have worked closely for many years on many subjects when our respective parties have been in opposition and in government, and I believe that the motion has opened the Government's eyes to the possibility of using his Bill for this purpose. There will of course be attempts to find loopholes, but it is the Government's responsibility to ensure that any legislation is fit for purpose.

I believe that 11, if not 12, Members spoke in the debate—that does not include those who have intervened—and it will be impossible for me to respond to all the points that they raised, but I will of course write to all those whose questions I have not had time to answer.

My hon. Friend the Member for Lincoln (Karl McCartney) made an important point about uninsured drivers. Uninsured driving is a criminal offence, and I am sure that no Member would condone it, but given that it contributes only £30 to the average premium, there must be many other factors in the market. I see that the hon. Member for South Down (Ms Ritchie) is present, and I shall comment on the position in Northern Ireland shortly, but the fact remains that that £30 is not the reason that premiums have been shooting through the roof—although we have seen some reduction in recent months.

Nevertheless, notwithstanding our concern about the size of premiums, we must in no circumstances condone uninsured driving, which plagues not only our constituents who pay their premiums but the police. Like the hon. Member for Bradford East (Mr Ward), I have been out with the local police force many times, and I am sure that anyone else who has done so will confirm that when the police pull drivers over for being uninsured, they will almost certainly pick them up for another offence which, in many cases, will have nothing to do with driving offences. People who wish to break the law in that way often wish to break it in other ways. We must help the police in every possible way to ensure that such fraud is dealt with, because driving without insurance is indeed fraudulent.

We must also help the insurers, who will doubtless be monitoring this debate and will realise that they are the pariahs: the nasty, horrible people to whom we must pay our premiums. I suppose that I should declare an interest at this stage. I have two daughters between the ages of 17 and 25, and the premium is high. I am proud to say that they have managed to work hard throughout their time at university, and that the work that they have done has helped to pay the insurance. I have not had to bear the whole burden.

The hon. Member for Bolton West (Julie Hilling) mentioned the crass decision by the European Court of Justice that gender could not be taken into account by insurers deciding premiums, although, as we all know, premiums are based on risk. I find that astonishing, because the figures clearly show that, sadly, boys aged between 17 and 25 are 10 times more likely to be involved in accidents than girls of a similar age. One of the most frightening pieces of evidence that has been given to me while I have had the honour of being the Minister responsible for these matters is that the most dangerous activity in which a young lady can engage in this country is sitting next to a boy aged between 17 and 25 who is driving a car.

Jim Dowd: Is not the problem with the European approach the assumption that every member of a certain group will behave in a certain way? It is a generalised rather than a personalised approach. The assessment is being made not on the basis of what a particular individual who wants to buy a particular product is likely to do, but on the basis of what people in a particular category are likely to do. Even if there is no evidence against an individual, that individual will be subject to the same penalty.

Mike Penning: I completely agree—just as I often agreed with the hon. Gentleman during the many years when we served on the Health Committee together. The actuaries have to be able to look at risk in general; otherwise we will all be put into the same pot, which is unfair to those who are in lower-risk categories. I have concerns that addressing this issue will lead to premiums being increased, not reduced.

Many colleagues, including the hon. Member for Hayes and Harlington (John McDonnell), have said we need to do more about the insurers, and I agree. I certainly do bring the insurers around the table, and I give them a very hard time. After all, they want things from me. They wanted the continuous insurance; they have been calling for that for years, and they have got it. They also want access to DVLA data in order to try to alleviate fraud, both intentional and unintentional.

People ask me, "What do you mean by 'unintentional fraud'?" Well, I am a dad, and I was asked whether I would put my daughter on the insurance as an additional driver. I had to look very carefully at whether she was an additional driver or the main driver, but most parents would not know the difference, so we need to educate them on that. They think they are helping their young people by naming them as an additional driver in those circumstances, but if their son or daughter is, in fact, not the additional driver, that insurance will be invalid, and the insurer will almost certainly find that out—and if the son or daughter is involved in a crash, they will almost certainly not be covered, and anybody else involved in the accident with them will also be penalised.

Some Members who were present for the debate have moved on to other things, so our proceedings now feel a little like an Adjournment debate, where people have not returned for the concluding speeches. That is a shame, because this is not an Adjournment debate; it is, rather, a proper debate of the House with a motion before it. Perhaps as Members get more used to debates such as this, more of them will return to hear the concluding remarks.

I certainly will work with the devolved Governments in respect of their responsibilities. Responding to the comments of the hon. Member for South Down (Ms Ritchie), I have serious concerns about the market as it operates in Northern Ireland. I am not responsible for the market, however; that is a Treasury matter, which is why the Treasury took the recent debate. I also understand that the Northern Ireland regulators are conducting a review, and I can assure the hon. Lady that if there is any evidence of collusion in the market—if any cartels are operating there or here—we will come down on them like a ton of bricks, as would be only right and proper.

As the Transport Committee has concluded, there is not just one simple solution to this problem. I agree, for instance, that there is a postcode lottery. In some ways, that is similar to the gender issue we have just discussed. Some postcodes cover large areas; that is certainly the case in my part of the world. It is fundamentally wrong for people to be penalised because of the road or neighbourhood in which they happen to live. Insurance calculations used to be based on theft and damage rates, but modern cars are very difficult to steal. Joyriders still steal ordinary cars, but most vehicle thefts are of high-value cars that are stolen to order. That is a completely different kind of theft from the thefts that affect premiums.

[Mike Penning]

Let us consider why premiums are so high. It is not just to do with uninsured drivers. It is also to do with ambulance chasers. Some 50% of all personal injury claims are made on car insurance. How can that be right when, as we have heard this evening, we have some of the safest roads in the world, and certainly the safest roads in Europe? Our killed and seriously-injured rates are extremely low, although we need to get them even lower. The truth of the matter is that most of these claims, many of which are fraudulent, are not reported to the police. Very often they are reported after the incident; Members have referred to constituents saying people followed up on incidents the following day. The hon. Member for Lewisham West and Penge (Jim Dowd) touched on this in his speech. The police would never have been called in such cases; it will never be on the records of the police that that sort of thing has taken place. Some countries in Europe, including Germany, have carefully considered the speed that someone would have had to be travelling to be in an accident before they can claim for whiplash. I was with the relevant German Minister at a conference recently, and we discussed this and other measures, particularly priority. The evidence is that this does not appear to be working in Germany simply because people are increasing the speed that they claim they were travelling at before the accident.

John Woodcock: I just want the Minister to set out why he has rejected our calls to restrict whiplash claims, given the seriousness of this problem in forcing up insurance premiums. Will he not reconsider?

Mike Penning: I have not rejected that; this was done by a colleague in the Ministry of Justice, as it is a legal matter. However, I completely agree with my colleague, as he is a legal person and I am not. There are legal differences between Germany and this country. Everything is possible, and this Parliament can do whatever it wants to do. *[Interruption.]* Perhaps that is not the case—I see some of my Eurosceptic friends in the House this evening. There are certain things that I would like to be doing in my Department that Europe prevents me from doing.

As we have heard across the House today, insurers have to take responsibility and say, "No, we'll take you to court and we will challenge this." They should not just settle out of court because it happens to be cheaper than the possible consequences of going to court. Immediately we start to do that, the no win, no fee ambulance chasers will look very carefully at their cases, and people who should genuinely get their compensation will get it and those who are swinging a leg, as my grandfather would say, will not. I shall refer back to my time on the Select Committee on Health, because it is not just in this area that we have this problem with insurance. Our hospitals, in particular, tend to settle out of court rather than challenging claims, and that is costing the taxpayer and the NHS an absolute fortune, so this is a culture that we have to turn around.

Hon. Members have touched on other aspects in the report and the evidence to the Select Committee. I have significantly changed the driving test, the practical and the theory, since my appointment, and I intend to change it even more. I have said it before and I will say it again that people are currently taught to pass a test; they are not taught to drive. They are not taught to drive safely for themselves and for others, and we have to make sure that we have qualified driving instructors and that everybody knows they are qualified when they get into that car. One change we are going to make—I hope that the Select Committee will agree with me on this—is that someone who is not a qualified driving instructor will not be able to take someone out on their own to teach them to drive. I am not going to stop parents, grandparents and sisters doing that, but someone who gets into a car marked "driving instructor" should not have to look for a little badge on the windscreen that says that the person is a trainee. These people should be qualified driving instructors. The industry supports me on this and we will do this. There also has to be an ongoing training programme for driving instructors. Some instructors took their qualifications many years ago, and we need to make sure that they are au fait with what we want from the driving test, although we also want them to earn an income.

As we have heard today, there are also things that happen to people suddenly when they pass their driving test. Clearly, some people—young people in particular, but not all of them—appear to have some kind of lobotomy when they get behind the wheel of a car. I am talking about highly intelligent young people who are perfect role models in every other aspect of their life, and then they get behind the wheel of a car. Sadly, as has been discussed, testosterone is one of the leading factors. Drink and drugs are involved, but testosterone is one of the big problems here.

In my constituency, the place where most people pass their test is St Albans. Between my constituency and St Albans is a rather large motorway called the M1, and to get back from the test centre, people have to cross it. That means that someone could be driving for the first time on their own and as they turn left or right to come off the A414 they will be on the M1. I think we need to give people, particularly young people, the opportunity to learn how to drive on the motorway before they pass their test. That is why we will pass regulations to allow qualified driving instructors to take learners on to motorways. Can I make that compulsory? No, I cannot because some counties have no motorways, so it would be discriminatory to do so, but we will give qualified instructors the opportunity to do that.

We need to make sure that the test is not the endgame, but not—in my opinion or that of the Government—to make it compulsory to take post-test qualifications. Pass Plus was a partial success, but was never really rolled out properly.

Jim Dowd: Before I came to the House, I used to drive extensively on the motorway network—in my company car, for those who were listening earlier—and the idea of the odd learner turning up on the motorway is strange. Traffic on our motorways travels at much higher speeds generally. Would it not be better to allow people to pass the traditional test and then take an additional period of tuition on the motorway, rather than allow someone who might have been behind the wheel of a car for only two or three hours suddenly to turn up on a motorway alongside juggernauts and fast-driving cars? The Minister will know better than anyone that the average speed on motorways is much higher than the 70 mph limit.

Madam Deputy Speaker (Dawn Primarolo): Order. Minister, I realise that driving on motorways is a very important subject, but I have a feeling that you were going to bring the debate back to the cost of motoring.

Mike Penning: An integral part of driving and the cost of insurance is how people are qualified to drive. That is why qualifications, as well as the ordinary driving test, are specifically mentioned in the report we are discussing, which is why I was speaking to the issue. However, I shall take your guidance, Madam Deputy Speaker, and steer towards more detailed work on the black box.

Madam Deputy Speaker: Order. I am very sorry, but I was trying to ensure that the Minister stayed where he wanted to be, whereas the hon. Member for Lewisham West and Penge (Jim Dowd) was tempting him away. I do not need a gentle rebuke from the Minister; I thought I was helping him.

Mike Penning: I know you too well ever to rebuke you, Madam Deputy Speaker, and I would never be led astray by the hon. Gentleman.

I do not agree with the hon. Gentleman. We have a situation in which young people—or, indeed, anyone—passing their test today can go on the motorway. There are no restrictions on that, and we need to give them the necessary skills. I have a full car, full motorbike, HGV and tank licence to boot, and I have driven on the motorway in all types of vehicle, so I understand. I have an H licence. The hon. Gentleman was indicating from a sedentary position, "What is a tank licence?"—it is an H licence for tracked vehicles.

Let me touch on issues of technology. As we heard earlier, some insurers have been using technology, particularly the black box. The Co-operative insurance company, which was mentioned earlier, has a scheme that encourages people to take the box in their car, and it monitors very carefully what speed one is travelling at, what time of day one is driving—nearly everything. I have been pushing quite extensively with insurers to roll that out further. It is the obvious way forward. If people are given the responsibility of a driving licence, they can be given the opportunity of responsibility. However, insurance companies have to be transparent. We have to know why the premiums are what they are and how they can best be broken down so that the public, when they look at their premium, know exactly what they are getting for their money. If there is a discount, we need to know exactly what it is and that if the person who takes out that policy sticks rigidly to the agreement their premium will not shoot up the following year or month.

In conclusion, I think this has been a very sensible debate. I welcome the report from the Committee chaired by the hon. Member for Liverpool, Riverside and I think that we can agree on most things. We have many, many Committees sitting already; one more would be quite difficult. We meet regularly on a cross-party basis to discuss these matters, and myriad Departments can be involved, depending on the issue in question.

At the moment, we are doing a great deal of work on penalties, which I have not yet touched on, and on the question of whether fines are the answer. The Secretary of State for Work and Pensions has already announced that he is going to allow fines to be increased for those on benefits. At the moment, the figure is £5, but that will increase to £25. I personally think that, as well as looking at increasing fines, we need to look at the points. In most cases, people will be prepared to pay a fine, but they might find the prospect of getting additional points on their licence more of a deterrent. They might decide that getting an extra six points, rather than just three, might mean losing their licence. I hope that such a move might prevent more people from driving while uninsured.

Karl McCartney: I understand what my hon. Friend is saying about points. Is there not also a need to make it socially unacceptable to drive while uninsured? Would it perhaps be prudent to consider a prison sentence for people who seem determined to do it three, four of five times or who have been involved in a serious accident while uninsured?

Mike Penning: I thank my hon. Friend for that point. We will continue to look at the penalties involved. Those of us who came through the drink-driving campaigns of the '70s and '80s will remember how we turned drink-drivers into pariahs, but that involved educating the public first, then using a big stick. We did the same with seat belts, and we now need to do it with drug-driving as well as with uninsured driving. We will continue to look at this, but, at the end of the day, it is for the magistrates and the courts to decide how they interpret the law. They have a degree of autonomy, which is why so many drivers who have more than 12 points have kept their licence. It is a matter for the courts to interpret the special needs of the people involved, and perhaps the lawyers who represent them are also a factor. I was shocked when I saw the figures, and it was my own Department that released them.

I know that the hon. Member for Liverpool, Riverside is going to respond to the debate. Her Committee has produced an excellent report, and we have had an excellent debate. I look forward to implementing many of the measures that have been mentioned, so that our roads can continue to be the safest in Europe and among the safest in the world.

9.12 pm

Mrs Ellman: We have heard many excellent contributions this evening. Members have reflected different experiences, but all have given us the same message: insurance premiums are too high, the insurance industry is dysfunctional and more must be done. I recognise the work that the Minister has been doing, particularly on uninsured driving, on referral fees, and on improving driving standards. I am pleased that the insurance sector has now adopted the Select Committee's recommendation to fund a specialised unit in police service to detect and act on fraud.

I have listened carefully to what the Minister has said, and I recognise his good will and commitment. I do not wish to divide the House on the motion tonight, but I must warn him that the Committee will continue its scrutiny, and we look forward to the next occasion on which we can question him on what has been done in his Department and across government, because that is the only way we will make progress on this important issue.

Question put and agreed to.

Resolved,

That this House expresses concern over the large increase in the cost of motor insurance in recent years, including in relation to young drivers; welcomes the report by the Transport Committee on the cost of motor insurance (HC 591) and its continuing inquiry into the reasons for this increase; notes that factors explaining the cost of motor insurance include the number and cost of personal injury claims arising from road accidents, assessment of risk, fraud, and uninsured driving; notes that the Government has taken some steps to deal with these issues, including a ban on referral fees in personal injury cases, but that more could be done; further notes that Ministerial responsibility for these issues is split across several departments; and calls on the Government to establish a cross-departmental Ministerial committee on reducing the cost of motor insurance and to publish a plan for dealing with the different aspects of this problem during this Parliament.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

STATISTICS BOARD

That the draft Statistics and Registration Service Act 2007 (Disclosure of Pupil Information by Welsh Ministers) Regulations 2011, which were laid before this House on 19 July, be approved.—*(James Duddridge.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

That the draft Statistics and Registration Service Act 2007 (Disclosure of Value Added Tax Information) Regulations 2011, which were laid before this House on 15 September, be approved.—*(James Duddridge.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

NATIONAL HEALTH SERVICE

That the draft Health and Social Care Act 2008 (Regulated Activities) (Amendment) Regulations 2011, which were laid before this House on 10 October, be approved.—*(James Duddridge.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

REFORM OF THE COMMON FISHERIES POLICY

That this House takes note of European Union Documents No. 12519/11, relating to a Commission Communication—Reform of the Common Fisheries Policy, and No. 12514/11 and Addenda 1 to 3, relating to a Draft Regulation on the Common Fisheries Policy; and supports the Government's view that fundamental reform of the EU fisheries policy is required to deliver the legislative changes necessary to achieve healthy fish stocks, a prosperous fishing industry and a healthy marine environment.—*(James Duddridge.)*

Question agreed to.

Madam Deputy Speaker (Dawn Primarolo): We now come to motion 9. There is a small error in the motion as printed on the Order Paper. It should refer to the motion in the name of Mr Peter Lilley, not Sir George Young, relating to the House of Commons Members' Fund. I will therefore ask the House to consider the motion in the amended form.

DELEGATED LEGISLATION (COMMITTEES)

Ordered,

That the Motion in the name of Mr Peter Lilley relating to the House of Commons Members' Fund shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice of a motion has been given that the instrument be approved.—*(James Duddridge.)*

Yemen

Motion made, and Question proposed, That this House do now adjourn.—*(James Duddridge.)*

9.15 pm

Keith Vaz (Leicester East) (Lab): It is a great pleasure for me, though a sad pleasure, to raise in the House yet again the situation in Yemen. I am delighted to see the Minister of State, Foreign and Commonwealth Office, the hon. Member for Taunton Deane (Mr Browne) at the Dispatch Box to keep the House informed of developments in Yemen.

My attachment to Yemen comes from the fact that it is the country of my birth. My parents having been born in Mumbai in India travelled to Aden in south Yemen, where I, my sister, my hon. Friend the Member for Walsall South (Valerie Vaz) and my other sister were born. For the first nine years of my life I lived in Yemen. I have returned to Yemen over the years, having established the all-party Yemen group. It is a country to which I feel an emotional and physical attachment, because of the kindness that was shown to me and my family and the way in which that country has sought to develop over the past quarter of a century.

I am sorry to say that the situation in Yemen is yet again at a crisis level. That is despite the good work of successive British Governments. I pay tribute in particular to the Foreign Secretary, the Secretary of State for International Development, the Minister of State, Department for International Development, the right hon. Member for Rutland and Melton (Mr Duncan), our ambassador in Sana'a, Jon Wilks and Joanna Reid, who heads the DFID project there. All those people who are still in that country in turmoil show what is best about Britain. A commitment made by Ministers at the Dispatch Box and at numerous conferences in the past decade has been followed through by exceptional public servants.

The political crisis that we are seeing shows a central Government in Yemen who are weak, peaceful protests that are turned into violence and, since the start of this year, hundreds of people dead and thousands injured across this impoverished country. At least 94 children are known to have died since the start of the year. Recent reports from places such as Taiz, a southern town that has always had a tradition of law and order—a real civil society—reveal that it has become a place of lawlessness. Only last Wednesday seven civilians were killed in Taiz, including two children.

The background to the events has always been that Yemen is a poor country, but we now have a humanitarian crisis. Some 7.5 million people struggle to find enough to eat each day; 320,000 people have been displaced in the north and 100,000 in the south. Yemen is the poorest country in the middle east, with 40% of Yemenis living off less than £1.25 a day. In Yemen there are 3.6 million children under the age of five, 43% of whom are underweight and 58% of whom have had their growth stunted. There are acute water shortages, and inflation and unemployment are rocketing. One in three Yemenis go hungry every night. It has the third highest malnutrition rate in the world.

So the background to the current situation of unease and crisis is the humanitarian catastrophe. I was told recently at a meeting with the Yemeni Foreign Minister that 32 schools were closed in Sana'a due to military occupation and that there are severe electricity shortages.

The World Bank has cut back on aid, freezing its £500 million programme and citing the uncertainty in the political and security situation. As the Minister will know if he has followed the deliberations on Yemen in the House, the concern has always been that countries of good will come together, as they did under the previous Government when the former Prime Minister held a conference concerning Yemen, and the Friends of Yemen donated billions of dollars to Yemen, but at the end of the day very little of that money finds its way to the Yemenis.

So we have a power vacuum. President Saleh has been in office for many, many years. I have met him on many occasions and the Foreign Secretary met him just before the Arab spring and the protests began. He is a president who has been very supportive of the present Government, but a president nevertheless who made it clear that he wished to leave the country's presidency, vacate his position and give way to a Government of national unity. We need to resolve the impasse. Because of the bombing that occurred in the presidential palace, President Saleh went to Saudi Arabia and the situation became a little calmer, but it has become worse again.

Why does this matter? The situation matters to us hugely because what happens in Sana'a today may well happen on the streets of London, so the counter-terrorism agenda is extremely important. That is why I have welcomed the support that the American Government gave to the Yemeni security forces, donating £90,000-worth of public order equipment in order to train members who were there to provide support. The reason we are so interested in that country is that al-Qaeda in the Arabian Peninsula is based in Yemen. There are people in that country who not only want to destabilise Yemen and therefore the middle east, but want to export their brand of terrorism to other parts of the world. Tackling terrorism is a key factor in trying to deal with the situation there.

I was heartened to hear from the Prime Minister at the Liaison Committee that at a meeting of the National Security Council, the Secretaries of State of all the major Departments focused on the situation in Yemen. That pleases me, having raised the matter on so many occasions. As Yemen does not have the oil resources of a Libya or the punch power of a country such as Saudi Arabia, it is easily forgotten. It was heartening to know that at the highest levels of our Government, the Prime Minister and senior Ministers were prepared to have that discussion and set out a roadmap.

How do we deal with the situation? That is what I hope the Minister will tell the House about tonight. We need somehow to move on the good work that we have done in the international debate that we are having and the pressure that we are applying in the Security Council, with an excellent resolution sponsored by the United Kingdom recently about the situation in Yemen. We have to turn those resolutions into good deeds.

That means that we need to send support for the UN envoy, and as I have said for the past six months and seriously believe, we need to send to Yemen three wise people, one representing the UN, one representing the Government, and one representing the European Union, to negotiate directly with the president and the Opposition to try to bring all sides together. It is clearly something

[Keith Vaz]

that cannot be done just by the Yemeni Government and the Yemeni people. The Gulf Co-operation Council and the Saudi Arabian Government have tried and failed. My message to the Minister tonight is that we cannot allow the situation to drift and eventually Yemen to break up into civil war.

The picture I have painted is bleak, but we must not forget the courage of the Yemeni people. The country is awash with weapons, yet peaceful protesters are going out and trying to bring international attention to what is happening. There is a long history of peaceful protest in the Arab world. My first memory of Yemen is of standing after school one day on the top floor of the block of flats where we lived and seeing my first political protest. A group of Yemeni students were walking through the centre of Malah and protesting about the level of English teaching in their schools. I went to the balcony and watched that amazing protest. There is a long history of peaceful protest in Yemen, not a history that ends with the violence we have seen.

We must come to the aid of the Yemeni people. I know that the Minister is very busy—he now has responsibility for India, in addition to his large responsibilities all over the world—and that this is not his primary area of concern as a Foreign Office Minister, but he has come to the Dispatch Box today because he represents the Foreign Office. When he goes back to his fellow Ministers, he must tell his right hon. and hon. Friends that the House is debating Yemen today because we believe that tomorrow will be even worse.

The good news is that in a few days' time I will welcome Tawakkal Karman, the first Yemeni to win the Nobel peace prize, to the House of Commons, where she will talk with colleagues. Because of the House's wonderful structure of all-party groups, the all-party group on Yemen has been able to visit the country almost every year, but we have not done so for the past year and a half. I am assured by the President and the ambassador that it is safe to visit but, as I pointed out to the ambassador, even the President was not safe in the presidential palace. I am not sure that they could guarantee the safety of British Members of Parliament, so we said no on this occasion.

It has always been my dream to take my young son and daughter to visit the country where their father and aunts were born and where their grandparents had such a wonderful life before the revolution started in Aden. My dream is that one day I can ask you, Mr Speaker, to go to Sana'a and speak to the Yemeni Parliament in a situation that is very different from the one that exists currently. You have been such a great Speaker and gone to so many countries. You recently went to India and spoke to the Indian Parliament. Your going out to speak to the Yemeni Parliament in different circumstances would be of such great benefit.

I do not use the term often, but I beg the Minister, as a Government spokesman, to give this as much ministerial time as he can, not to lose focus, not to allow Yemen to break up in civil war and not to allow those who wish to peddle terrorism to take it from the streets of Aden, Taiz and Sana'a and bring it to the streets of Birmingham, London and Manchester. That is my plea to the Minister tonight.

9.28 pm

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): I am grateful for the opportunity to respond to this short but important debate. I start by paying tribute to you, Mr Speaker, for your recent visit to India—it is not the topic under consideration, but it was mentioned by the right hon. Member for Leicester East (Keith Vaz)—which was greatly appreciated by the Foreign Office and Parliament. I pay tribute to the right hon. Gentleman, a former Foreign Office Minister himself, for his long-standing interest in Yemen, which is born of his personal commitment to the country and a very contemporary interest. It is a constant reminder to the House and the Foreign and Commonwealth Office of the importance of Yemen to Britain's national interests.

The British Government have a long-standing relationship with Yemen, and we have worked with its Government and our partners in the international community for some years to pursue security, prosperity and democracy in the country. The current situation is of increasing concern, however, and I am grateful for this opportunity to lay out comprehensively before the House the British Government's current assessment.

As the right hon. Gentleman has already said, Yemen is in a sad state today. The political process is stalled, the economy is in tatters and ordinary Yemenis are suffering greatly. Security is fragile, violence is worsening and the country is fragmented and divided. Al-Qaeda in the Arabian Peninsula will exploit and is exploiting that instability. The country will take a long time to recover, and the British Government are profoundly concerned by Yemen's decline, a concern that is reflected at the highest levels of the Government and in the interest being taken by the most senior Ministers.

Yemen is stuck in political stalemate. The momentum behind the valuable initiative of the Gulf Co-operation Council—GCC—to broker a political settlement leading to a managed transition has been lost, and over the past 10 months we have seen widespread demonstrations throughout Yemen calling for President Saleh to step down and for democratic change. Tragically, the demonstrations have also frequently seen the use of excessive and lethal force by Government security forces, but regrettably the armed opposition, too, has been partly responsible for the frequent escalation of violence.

We have condemned in the strongest terms the use of excessive force against unarmed protesters, and we have called for restraint by all sides and for the Yemeni authorities to listen to the legitimate demands of the Yemeni public for change. We continue energetically to encourage negotiators on both sides urgently to conclude discussions on implementing a plan for political transition based on the Gulf Co-operation Council initiative. That plan, brokered by Yemen's neighbours and with widespread international support, represents the best hope for a peaceful end to the crisis. It envisages a transfer of presidential power to the vice-president, the establishment of a national unity Government led by the Opposition and early presidential elections.

We welcomed President Saleh's decree in September in which he authorised Vice-President Hadi to restart dialogue with the Opposition and to sign the initiative on his behalf. Along with our EU, US and GCC partners, as well as the UN, we have been working closely with the vice-president and the Opposition to encourage a speedy conclusion to discussions on an implementation mechanism.

It is important to appreciate, however, that our and, principally, our regional partners' efforts are ultimately dependent on the willingness of President Saleh to fulfil his promise to agree formally to transition. To date, he has pledged on several occasions to pass all executive authority to the vice-president and then to step down, but each time I regret to say that he has reneged on his promise.

Our task, alongside our international partners, has been and continues to be to impress upon the Yemeni leadership that, in the absence of an agreed and sustainable political settlement, Yemen will continue to spiral downwards towards state failure and humanitarian catastrophe. We can already see that the country is fragmented and under-governed, with growing insecurity, especially in southern Yemen, and with frequent episodes of extreme violence, targeted largely at unarmed protestors.

The Yemeni authorities have lost security control over large swathes of the country, and the Government are barely functional, struggling to deliver services and to pay salaries. The current situation has the biggest impact on the wider Yemeni population, who are struggling to eke out an existence in an environment of food price rises, water scarcity and sudden upsurges in violence, so it is indeed a truly terrible situation.

Keith Vaz: I thank the Minister very much for what he has said so far, but there is a logjam: we have groups, in their particular positions, unwilling to give way. The President has said that he wants to go, the Opposition want to take over, and the Saudi Arabian Government and the Gulf Co-operation Council are involved, but what is the mechanism by which we break that logjam? We do not want a bloody revolution, so there must be something that we can do, with all the great diplomacy at our disposal, to try to break this logjam. What does the Minister think it should be?

Mr Browne: I agree with the right hon. Gentleman's assessment. I hope that the next passage of my speech will at least provide him with some assurance that we are seeking to make progress, while recognising that we inevitably face some restrictions and limitations on our ability to bring about the change we all wish to see.

The lack of urgent progress in Yemen towards achieving peace, alongside a worsening humanitarian situation, has placed the country increasingly under the international spotlight. Since the Adjournment debate on the subject secured by the right hon. Gentleman in April, the United Nations has begun to play a helpful political role in support of the efforts of the GCC, alongside our EU and US partners. A UN special adviser has visited the country five times and will be arriving in Yemen again shortly. We welcome the UN Security Council's statements and, most recently, resolution 2014, which was adopted unanimously on 21 October. As the Foreign Secretary stated, that resolution represents a clear indication from the international community that the deteriorating humanitarian, economic and security situation in Yemen is a direct result of President Saleh's refusal to agree to a political settlement.

That was also the view of the EU Foreign Affairs Council in October, which said that it would explore all available options if the political impasse persisted and the economic and humanitarian situation continued to deteriorate as a result. We, the British Government, will continue to work closely with our international partners and allies, including in both the EU and the Security Council, to support a peaceful transition. We look forward to the Security Council's review on 21 November of the situation in Yemen in the light of the adoption of resolution 2014.

We have talked about the Yemeni economy. Its situation is truly desperate. Economic collapse and escalating conflict and violence is pushing Yemen into a humanitarian crisis. The right hon. Gentleman mentioned the role played by the Minister of State, Department for International Development, my right hon. Friend the Member for Rutland and Melton (Mr Duncan) in that regard. We share the UN Security Council's grave concern about the deteriorating humanitarian situation. Although a £15.4 million package of humanitarian assistance has been given, DFID continues to support a range of initiatives being carried out by non-governmental organisations, UN agencies and the International Committee of the Red Cross to help to alleviate the suffering of Yemenis. DFID continues to be active in Yemen.

More generally, the current crisis has set back Yemen's development by years. Yemen was already the poorest country in the middle east and faced significant challenges, including falling oil revenues, increased water scarcity and rapid population growth. There is political instability, violence, great poverty, economic hardship and, as a result, humanitarian suffering. It is very much the Government's intention to approach Yemen in a broad co-ordinated way, drawing on our security and diplomatic expertise, as well as on our humanitarian and development knowledge.

Yemen's human rights record is also very worrying. The high number of credible allegations of violations perpetrated by the authorities against peaceful demonstrators is disturbing. There have been numerous reports of detentions, civilians caught up in armed conflict, the recruitment of child soldiers and restrictions applied to the media. We have witnessed appalling violations by the security forces since the beginning of the protests, in particular in Sana'a on 18 March. Most recently, we have seen an escalation of violence by both sides in Sana'a in September, and the shocking use of heavy artillery to quell demonstrations. We estimate that more than 400 civilians have now been killed and that thousands have been injured.

I should like to use this opportunity to pay tribute to the work of all our staff in the embassy at Sana'a. The right hon. Gentleman said at the end of his speech how much he would like to be able to take a cross-party delegation from this Parliament to the Parliament in Yemen but was prevented from doing so by his concerns about the security situation. It is worth placing on the record the fact that the United Kingdom staff and their Yemeni colleagues have been operating in very difficult circumstances in an environment of high terrorist threat. Sana'a is now probably our most dangerous post worldwide—the most dangerous place for Foreign Office and other British Government staff to serve in. Our diplomats' ability to operate has also been continually constrained

[Mr Jeremy Browne]

by ever-present and unpredictable bouts of violence and civil disorder. Our staff are living in temporary container accommodation inside the embassy compound and have to cope with irregular electricity, and occasionally even water, supplies. Life for our local staff has often been even more difficult, with many living in areas of the city affected by ongoing violence and curfews. They have been constantly affected by frequent food, fuel and electricity shortages. Yet through all this, all our staff continue to show willingness, effectiveness and commitment in pursuit of our vital national objectives in Yemen.

That brings me to the crux of what I wish to say. The reason we maintain, at considerable cost and, in terms of hardship, a considerable burden on our staff, a diplomatic and wider British Government presence in Yemen is that we recognise, as the right hon. Gentleman said, the great importance of Yemen in its own right across the wider region and globally. As he said, it is important in security terms because the presence of al-Qaeda and other malign influences in Yemen means that they have the potential to visit themselves on us here in the United Kingdom. However, we also recognise it in other regards.

Bob Stewart (Beckenham) (Con): I hope the Minister will forgive me for interrupting. We also have responsibility because the Aden protectorate was, for a very long time, a responsibility of ours. I speak as someone who lived there for four years. We also have a responsibility to this part of the world because of that.

Mr Browne: I endorse the point that my hon. Friend makes. We have a narrow self-interest in security terms, but I hope and believe that we also have a wider enlightened interest, and a desire on humanitarian grounds to see the population of Yemen living more materially prosperous lives free from the degree of insecurity that they must feel on a daily basis. I hope and believe that not only because of the hard concerns about national security but because of a desire to see stability, peace and relatively greater prosperity in Yemen, the British Government are affording that country the degree of attention and seriousness that it clearly warrants.

I thank the right hon. Gentleman for the opportunity to discuss Yemen's manifold challenges and what he has said about them. I am sure that we will have other opportunities to discuss what I hope will be progress by the British Government and our international partners in the months and years ahead.

Question put and agreed to.

9.43 pm

House adjourned.

House of Commons

Wednesday 9 November 2011

The House met at half-past Eleven o'clock

PRAYERS

[Mr Speaker *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Construction Sector

1. **Mr Russell Brown** (Dumfries and Galloway) (Lab): What steps the Government are taking to stimulate demand in the construction sector in Scotland. [78422]

7. **Jim Sheridan** (Paisley and Renfrewshire North) (Lab): What recent discussions he has had with the First Minister on the construction industry in Scotland. [78429]

The Secretary of State for Scotland (Michael Moore): I recognise the vital role that the construction industry plays in the Scottish and UK economy. The plan for growth includes a wide range of measures to support the industry across the UK. I have regular discussions with Scottish Ministers on these and other matters of importance to the Scottish economy.

Mr Brown: May I say to the Secretary of State that his Under-Secretary and I have one thing in common? We still have construction workers who remain unemployed after R & D Construction went into administration earlier this year. Does the Secretary of State fully recognise that throughout the UK, and especially in Scotland, there are far too many unemployed construction workers, who desperately want to get back to work? He needs to encourage the Scottish Government to stimulate that sector.

Michael Moore: I agree that we must take all appropriate measures to get the economy on the right footing. As he will appreciate, we have a big challenge clearing up the mess left by the previous Government and the challenging situation in the eurozone, but we are determined, through our credible deficit plan and with a strong economy, to get construction and other sectors in the right place.

Jim Sheridan: The Secretary of State might be aware of the major lobby today by construction workers throughout the UK, many of them from Scotland. They are concerned about proposals by six national construction companies to change the national agreement for electricians. Given what is going on in Scotland, when he next meets the First Minister will he remind him of the excellent work being done in both Parliaments in providing quality partnerships? The proposal by those construction companies could undermine all that good work.

Michael Moore: I agree that it is vital that the UK Government and the Scottish Government work together. Whether that is on terms and conditions or on the general state of the economy, it is extremely important. We as the UK Government have taken important steps to support the Scottish Government in their efforts with the economy.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): Is my right hon. Friend aware of the considerable construction activity taking place prior to deployment of marine energy in the Pentland firth, particularly at places such as Scrabster harbour? What more can this Government do to ensure that the right infrastructure is constructed now so that we benefit from the opportunity of marine renewable energy in the future?

Michael Moore: As my hon. Friend knows, through our plan for growth, which sets out the basis on which we will support the economy through these difficult times—cutting corporation tax, reducing the burden of income tax, reducing the national insurance burden and, with a huge investment in marine renewables, reforming the energy market—we are laying the foundations for that important sector to develop. It is important that that is not undermined by the uncertainty that the independence referendum is causing in Scotland at present.

Angus Robertson (Moray) (SNP): A competitive tax position is vital for the construction sector and the rest of the Scottish economy. That is why the Scottish Government have called for the devolution of corporation tax powers. Will the Secretary of State confirm that the UK Government are actively considering the devolution of corporation tax to Northern Ireland?

Michael Moore: The hon. Gentleman knows full well that we have had a consultation about corporation tax devolution to Northern Ireland and we are reviewing the responses to it. I wish we could say the same for the response to the Scottish Government's consultation on their corporation tax proposals. We have asked a series of fundamental questions about the proposals but they have gone unanswered. We have yet to see the consultation responses, so I suggest the hon. Gentleman ask his friend the First Minister to get on with that.

Angus Robertson: The Secretary of State has taken the opportunity in the past to say that the UK Government will consider the devolution of corporation tax powers to Scotland, but Dr Graham Gudgin, an adviser to the Northern Ireland Secretary, confirmed in evidence to the Scottish Parliament that the UK Government have already ruled out the devolution of corporation tax "under any circumstances". Both statements cannot be true, so which is true?

Michael Moore: We have said that we want to consider any valid proposals brought forward by the Scottish Government, but they must first establish a credible, detailed position, maintain the consensus across the parties and ensure that there is no detriment to Scotland or the rest of the UK. The Scottish National party and the First Minister have so far failed to deliver the detail.

Margaret Curran (Glasgow East) (Lab): I ask the Secretary of State to pay particular attention to the concerns raised this morning about the construction industry in Scotland, where 10,000 jobs have been lost this year and the number of companies facing bankruptcy has risen by 135% in the past two years. With that in mind, will he support Labour's call, and that of the Scottish Building Federation, for a one-year cut in VAT on home improvements to 5%, a specific action to help boost the construction industry and get the Scottish economy moving again?

Michael Moore: I welcome the hon. Lady to her new post, without, if I may say so, wishing her too much success in it. She brings a great deal of experience to the House and I look forward to our encounters. We have heard Labour's proposals for reducing VAT, but I have to tell her that when that was last done it did not deliver the hoped-for outcome. As we are seeing across the eurozone, countries cannot spend their way out of a debt crisis. We need a credible plan and we have to deliver on it, which is what we are doing.

Margaret Curran: I thank the Secretary of State for his kind opening remarks and look forward to robust debates and work in the coming years. I am sorry to say that his answer is completely inadequate, because previous VAT cuts did deliver growth. The Government's failed policies mean that they are set to borrow £46 billion more this year, rather than reduce the deficit. In reality, Scots face a double-whammy: a Tory-led Government cutting too far and too fast, and an SNP Government presiding over stagnant growth and cuts in capital spending. Scotland is in the midst of a crisis—a jobs crisis and a growth crisis. If he will not follow Labour's five-point plan to boost jobs and growth in Scotland, what specific action will the Government take in Scotland and for Scotland to get our economy moving again?

Michael Moore: The hon. Lady cannot skip so lightly away from the mess we inherited from the previous Government: the highest deficit in peacetime history and we were borrowing £1 for every £4 we spent, which was simply unsustainable. It is absolutely vital that we keep to our credible deficit reduction plan and deliver on the plan for growth by cutting corporation tax, maintaining low interest rates and reducing regulatory and national insurance burdens. As far as Scotland is concerned, I agree that the tax hike in the Scottish Government's spending review is bad for business. They must acknowledge that we have helped with pre-payments for the replacement Forth crossing and by making land available from the Ministry of Defence. We are helping the Scottish Government in many ways.

Scottish Independence

2. **Kevin Brennan** (Cardiff West) (Lab): Whether he has a policy on a threshold that would be required to vote in favour of independence before legislating for Scottish independence. [78423]

The Secretary of State for Scotland (Michael Moore): The Government have no such policy. The Scottish Government have said that they will introduce proposals for a referendum, and we urge them to end the delay and uncertainty by doing so. Whenever there is a referendum, the UK Government will make the case for a prosperous Scotland in a modern UK.

Kevin Brennan: Should not any referendum that has profound implication for Wales, Northern Ireland and England as well as Scotland involve an absolutely clear and straightforward choice between remaining in the UK and separation, rather than muddying the waters with what my hon. Friend the Member for Glasgow South (Mr Harris) has called the "I can't believe it's not independence" option?

Michael Moore: The hon. Gentleman makes a fair point. With a BBC poll at the weekend showing that barely a quarter of Scots favour independence, it is no great surprise that the SNP is taking Scotland for granted and running away from an independence poll. It is creating uncertainty that is damaging for business. Let us have a clear question and get on with it.

Mrs Eleanor Laing (Epping Forest) (Con): In considering Scottish independence, has the Secretary of State seen recent legal advice stating that an independent Scotland would be either outside the European Union, and therefore would lose EU funding and access to free markets, or required to join the euro as a new accession state? Does he agree that that is further evidence that breaking up the UK would be bad for the people of Scotland?

Michael Moore: I absolutely agree with my hon. Friend. The idea that the SNP can take it for granted that Scotland would enter the EU without negotiation and consideration of such issues is entirely fanciful. That is part of the uncertainty that needs to be resolved sooner rather than later.

Stewart Hosie (Dundee East) (SNP): On 8 May the Scottish Secretary ruled out a 40% rule in a rigged referendum. He also said that the referendum was entirely a matter for the Scottish Government and that he would not be raising any constitutional questions. Does he stand by that?

Michael Moore: I do not think we should take any lessons on rigged referendums from the hon. Gentleman's party, which is determined not to have a straightforward question on Scottish independence—the whole reason it exists—but to bring in other issues as well. Let us get a straightforward question now and end the damaging uncertainty.

Departmental Administrative Costs

3. **Mr Peter Bone** (Wellingborough) (Con): What steps he is taking to reduce administrative costs in his Department. [78424]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): Scotland Office Ministers are determined that the Office contribute to the Government's task of reducing the budget deficit. I and my officials are bearing down hard on administrative costs through a range of efficiency measures, including using framework contracts negotiated by other Government bodies, sharing resources with the other territorial offices and making more efficient use of leasehold property.

Mr Bone: The Prime Minister wants to see smaller and more effective government. Only last year, the Secretary of State for Scotland called for the abolition of the Scotland Office. Would the very capable Minister not be making a career enhancing move if he suggested now from the Dispatch Box that we should abolish the Scotland Office, the Wales Office and the Northern Ireland Office and replace them with an office for the Union?

David Mundell: Absolutely not. At this time, when the United Kingdom faces its greatest ever danger from separatists, the Scotland Office is a bulwark against independence.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): Is that what is called cutting the Department to the bone? Will the Minister name all the staff of his Department? I remember telling a previous Secretary of State that it must be the only empire in the whole of Westminster where the Secretary of State is able to name all his staff: can he?

David Mundell: I pay tribute to the staff of the Scotland Office. With a small number of staff, we have pursued the Scotland Bill, a very significant measure, through this House and into the other place. The Scotland Office has a key role to play as we move forward in preserving Scotland's place in the United Kingdom.

The Union

4. **Mark Menzies** (Fylde) (Con): What recent assessment he has made of the benefits to Scotland of the Union; and if he will make a statement. [78425]

The Secretary of State for Scotland (Michael Moore): As part of the United Kingdom, Scotland's economic opportunities are larger, our public finances are more robust, our defence is stronger, our influence on the international stage is greater, the welfare system is more secure and our cultural and family ties are closer. Those are just half a dozen reasons why we are stronger together.

Mark Menzies: Does the Secretary of State agree that, given the tough economic crisis facing small European countries, the worst thing for Scotland would be to become a small independent country dependent on the eurozone, rather than being part of the United Kingdom and having the strength that brings?

Michael Moore: My hon. Friend is absolutely right to highlight the issues that face Scotland if it chooses to be independent and the fact that such a process cannot take place without some very hard-nosed negotiations with our European partners, who are facing real difficulties all over the continent. We need the SNP to spell out its plans on how it will deal with those issues—then let us get on with the independence referendum.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Does the Secretary of State agree that the social union, the Commonwealth, the monarchy and particularly the current Queen—Queen Elizabeth—will be important whatever constitutional arrangements Scotland has in the future? That, of course, would mirror the situation in independent Canada, New Zealand and Australia, with Scotland being the Queen's 17th independent realm.

Michael Moore: I understand the hon. Gentleman's passion for Scotland's independence, but I wish it were shared with some intention to get on with the debate. The chairman of the independence campaign is sitting beside him. What are they scared of? Let us get on with it.

Sir Menzies Campbell (North East Fife) (LD): My right hon. Friend has outlined the benefits to Scotland of European Union membership and the uncertainty that would surround those benefits in the event that Scotland were to be independent. Does he agree that it would help to resolve that uncertainty if the Scottish Government published the legal advice they have had on the point, so that it may contribute properly to the debate?

Michael Moore: My right hon. and learned Friend makes a very important point. The idea that we would somehow simply get membership of the European Union with complete agreement, without discussion and without needing to worry about the terms of negotiation is quite fanciful. It is a journey into the unknown and we need to have the detail.

Mr William Bain (Glasgow North East) (Lab): One of the many benefits associated with the Union is the certainty provided by Scotland's continuing membership of the European Union. Has the Secretary of State seen the impartial Library research published yesterday, which indicates that Scotland may have to go through an accession process to stay in the EU if it becomes a separate state? That research also shows that if Scotland were accepted as a member state, according to the most recent data, net annual contributions to the EU from Scottish taxpayers would rise to £92 per capita compared with only £57 per capita from the rest of the UK. Would it not be contrary to Scotland's national and economic interests to separate from the rest of the UK if it meant Scotland ended up out of the EU or paying more to stay in the EU, and only if it adopted the euro?

Michael Moore: I welcome the hon. Gentleman to his new role, in which he is already demonstrating his forensic attention to detail. I am delighted that he has put his point across, and I completely agree with him about the uncertainty that all this causes.

Energy Prices

5. **John Robertson** (Glasgow North West) (Lab): What recent discussions he has with Ofgem on energy prices in Scotland. [78426]

The Secretary of State for Scotland (Michael Moore): I recently discussed this issue with Ofgem and other key stakeholders at the energy summit I held in Bathgate on 20 October. This Government are determined to help people to reduce their energy bills and I welcome Ofgem's recent proposals to reform the retail energy market.

John Robertson: The right hon. Gentleman's Government want to put a bonfire under quangos, so how does Ofgem chairman Lord Mogg's £200,000-a-year salary for a three-day week sit with not going above the Prime Minister's salary?

Michael Moore *rose—*

Mr Speaker: Order. We are talking about energy prices rather than salaries, but I am sure that the talents of the Secretary of State will allow him to remain in order.

Michael Moore: I am delighted to say to the hon. Gentleman that I recognise his long-standing concerns on all these issues—not only salaries but energy prices. Our proposals to simplify matters and to help people to switch and to get greater transparency in their bills, and all the other reforms being introduced by Ofgem, are crucial. I look forward to Ofgem getting on with that work.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): One of the key groups of customers facing high energy prices this year is those who are not on the gas main and heat their homes with oil, LPG and other fuels. At the moment, sadly, Ofgem does not have a remit for them. Will my right hon. Friend discuss with the Secretary of State for Energy and Climate Change whether there is any way that those suppliers can be made to engage with their vulnerable consumers in the same way as mains gas suppliers have to?

Michael Moore: My colleagues in the Department for Energy and Climate Change will meet to discuss this in the next few weeks. My hon. Friend is right to highlight the issue, and I look forward to picking it up with him at some time in the near future.

Mr Mike Weir (Angus) (SNP): Yesterday the Secretary of State for DECC sent a letter to all MPs promoting the Government's policy of check, switch and insulate, but how does the Secretary of State suggest that off-grid customers can check or switch when in many areas there is a virtual monopoly on home fuel oil? *[Interruption.]*

Mr Speaker: Order. Far too many private conversations are taking place in the Chamber. We need to hear the Secretary of State.

Michael Moore: As I said in answer to my hon. Friend the Member for West Aberdeenshire and Kincardine (Sir Robert Smith), we want to discuss these issues. Representing a big rural area without gas grid access, I recognise that this is an important matter, and I am happy to discuss it with the hon. Gentleman too.

Electoral Commission Report

6. **Mike Freer** (Finchley and Golders Green) (Con): What assessment his Department has made of the report of Electoral Commission Scotland on the 2011 elections to the Scottish Parliament; and if he will make a statement. [78427]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): I welcome the Electoral Commission's finding that the Scottish Parliament election was well administered and voter focused.

Mike Freer: Given that the Scottish Government did not complain about the Electoral Commission being involved in the elections, does my right hon. Friend think it odd that they now want to set up their own independent commission on the referendum?

David Mundell: I agree with my hon. Friend. The SNP Government had no complaint about the Electoral Commission's involvement in the Scottish Parliament elections and the alternative vote referendum but, at great cost to the taxpayer, they intend to set up their own commission to oversee the referendum. No wonder so many people are speculating that that is an attempt to rig the referendum.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Will the Minister meet the Electoral Commission in Scotland on 30 November, or will he, like me, be supporting the public sector strike against Tory cuts in pensions?

David Mundell: I welcome the fact that the hon. Gentleman, as convenor of the Scottish Affairs Committee, brought the Electoral Commission before his Committee. That will provide valuable evidence in the debate on the role that it should play in any referendum.

Iain Stewart (Milton Keynes South) (Con): Is my right hon. Friend aware of any recommendation in the report about changing the electorate in Scotland in the same way as the Scottish Government want to gerrymander the electorate for their independence referendum?

David Mundell: I am not aware of any such suggestions in the Electoral Commission report, but my hon. Friend is correct to highlight the issues with the Scottish separatists' referendum that are causing such uncertainty—the franchise, the question and the timing. *[Interruption.]*

Mr Speaker: Order. I appeal to the House to come to order and listen to Mr Frank Doran.

Carbon Capture and Storage

8. **Mr Frank Doran** (Aberdeen North) (Lab): What recent discussions he has had on the deployment of carbon capture and storage technology in Scotland. [78430]

The Secretary of State for Scotland (Michael Moore): My most recent meeting with the Secretary of State for Energy and Climate Change to discuss this issue was on 10 October. Although it was not possible to reach a deal on Longannet, the Government remain firmly committed to carbon capture and storage and I welcome the confirmation given by the Treasury that the £1 billion of funding will be made available for future CCS projects.

Mr Doran: The Government in the 1980s refused to invest in wind power and threw away our world lead in renewables. Are this Government making the same mistake by refusing to invest in the most advanced industrial-scale carbon capture and storage project in the world at Longannet?

Michael Moore: I do not agree with the hon. Gentleman on that, but I do agree that we are determined to see Britain take a leading role in this important technology. That is why the £1 billion of investment is still available and why Peterhead and other parts of the UK will be able to bid for it.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I hope that the Secretary of State will welcome this morning's announcement by Scottish and Southern Energy and Shell that they are bringing the project at Peterhead one step closer. What assurances can he give that the project will not be shelved, as the last Peterhead project for carbon capture and storage was by the previous Government, and that we will see this investment?

Michael Moore: In a week when a major international bank has talked about the impact that the uncertainty over independence is having on renewables investment in Scotland, we will take no lessons from the SNP about uncertainty. As I said to the hon. Member for Aberdeen North (Mr Doran), it is vital that Peterhead and other places come forward with their bids, and £1 billion is available to support them.

Fisheries

9. **Miss Anne McIntosh** (Thirsk and Malton) (Con): What discussions he has had with the First Minister on reform of the common fisheries policy. [78431]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): My right hon. Friend the Secretary of State and I have regular discussions with the First Minister and his officials on a range of issues of significance to the Scottish economy. I have frequent discussions with the Cabinet Secretary for Rural Affairs and Environment, including a meeting last week on the common fisheries policy and other matters.

Miss McIntosh *rose—* [*Interruption*]

Mr Speaker: Order. Members are being very unfair to the Member asking the question and to the Minister answering it. Let us have a bit of order.

Miss McIntosh: Does the Minister agree that the direction in which the negotiations on fisheries are going is entirely in the interests of the Scottish and UK fisheries in ending discards and allowing for regional fisheries agreements?

David Mundell: I agree with my hon. Friend, just as I agree with Bertie Armstrong, chief executive of the Scottish Fishermen's Federation, who stated in his evidence to the Environment, Food and Rural Affairs Committee, which she chairs, that the UK should speak with one voice in fisheries negotiations.

Katy Clark (North Ayrshire and Arran) (Lab): What discussions has the Minister had with the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Newbury (Richard Benyon) about tradeable quotas to ensure that they are not taken advantage of by multinationals who use the UK as a flag of convenience?

David Mundell: I am sure that the Under-Secretary will have understood the hon. Lady's point. She, like me, will welcome the fact that there will be a Backbench Business Committee debate on fisheries next week.

Unemployment

10. **Fiona O'Donnell** (East Lothian) (Lab): What discussions he has had with the Scottish Government on the level of unemployment in Scotland. [78432]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): My right hon. Friend the Secretary of State and I are in regular contact with John Swinney, the Scottish Minister responsible for employment, about unemployment in Scotland. Scottish Government officials and agencies have been involved in all the employment seminars that my right hon. Friend the Secretary of State has held over the past six months.

Fiona O'Donnell: Will the Minister tell the people in my constituency who have lost their jobs since he got his job whether unemployment is a price worth paying for a deficit reduction plan that is choking off growth and raising Government debt?

David Mundell: I tell the hon. Lady to be slightly less predictable and finally to take some responsibility for the situation in which her Government left this country, including the biggest peacetime deficit in our history.

Mr Alan Reid (Argyll and Bute) (LD): Unemployment in Kintyre could be reduced if the community bid to take over the former RAF base at Machrihanish goes ahead. I hope that the Ministry of Defence will make a contribution towards making the water supply fit for purpose, so that the community's bid is viable. Will the Minister please encourage the MOD to do so?

David Mundell: I am happy to meet my hon. Friend and take forward his concerns with the MOD.

Mrs Anne McGuire (Stirling) (Lab): Will the Minister take responsibility for something that his Government have done? This morning, House of Commons figures show that youth unemployment in my constituency has risen by 218.2%. What is he going to tell the young people of Stirling that the Government have done over the past 18 months?

David Mundell: The right hon. Lady knows that youth unemployment rose under the Labour Government too. It is a serious issue, and it should not be the subject of party politicking. We should all work together to resolve youth unemployment.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [79338] **Dr Julian Huppert** (Cambridge) (LD): If he will list his official engagements for Wednesday 9 November.

The Prime Minister (Mr David Cameron): I am sure that the whole House will wish to join me in paying tribute to Private Matthew Haseldin from 2nd Battalion the Mercian Regiment. Despite being in the Army only a short time, he had already proved himself to be a dedicated and courageous soldier. He has made the ultimate sacrifice for the safety of the British people, and we should send our deepest condolences to his family and friends. This week, we will, of course, pause to remember all those who have lost their lives in defence of our country, so that we can enjoy peace and freedom, and we are humbled by their sacrifice.

This morning, I had meetings with ministerial colleagues and others, and in addition to my duties in the House, I shall have further such meetings later today.

Dr Huppert: May I add my tribute to the Prime Minister's about the sad death of Private Matthew Haseldin from 2nd Battalion the Mercian Regiment, especially with Remembrance Sunday so near?

The Prime Minister is rightly concerned about jobs and growth. Crucial to that is consumer confidence. Does he think that telling 25 million workers that they have no job security and can be fired at will tomorrow will boost or reduce consumer confidence?

The Prime Minister: Clearly, we have to make it easier for firms to hire people. That is why we have scrapped Labour's jobs tax, taken 1 million of the lowest-paid people out of tax, established new rules so that someone can go to a tribunal only after working somewhere for two years, and introduced fees for claims in employment tribunals to stop vexatious claims. Added to that, we are investing in the Work programme and apprenticeships—all as a way of helping to give young people jobs.

Edward Miliband (Doncaster North) (Lab): May I join the Prime Minister in paying tribute to Private Matthew Haseldin from 2nd Battalion the Mercian Regiment? He showed immense courage trying to protect local people, and our thoughts are with his family and friends. With troops serving in conflict overseas, it is even more important that this weekend, on Remembrance Sunday, we honour all those who have served our country and who are serving our country today.

Will the Prime Minister tell us how many people entered the UK under the Home Secretary's relaxed border controls?

The Prime Minister: The figures for the period between August 2010 and August 2011 for the number of people who entered the country are published in the normal way. The figures that I have are these: the number of people arrested was up by 10%, the number of drug seizures was markedly up, and the number of firearms seizures was up by 100%. However, we should be clear about what did, and what did not, happen here. First, the Home Secretary agreed a pilot for a more targeted approach to border control. This was for people within the European economic area, and it allowed better targeting of high-risk people and less for others, notably children. This did not compromise security. It was an operational decision, but one that I fully back, and which I think she was right to take.

Secondly and importantly, however, decisions were taken to extend that beyond EEA nationals. That was not authorised by the Home Secretary. Indeed, when specific permission was asked for, it was not granted. This did not mean that our borders were left undefended, and passports continued to be checked, but because this was unauthorised action—as it was contrary to what she agreed—it was right that the head of the border force was suspended. I back that action completely.

Edward Miliband: It is just not good enough. The Prime Minister cannot tell us how many people—how many millions of people—were let in under the relaxed border controls agreed by the Home Secretary. Is it not totally unacceptable that the Home Secretary chose to relax border controls in July, but, even yesterday, could not tell us which airports and ports that applied to, how many took it up and for how long?

The Prime Minister: The Home Secretary provided those figures, and the figures are as follows: firearms, 100% increase in seizures; illegal immigrants, 10% increase in arrests; forged documents, 48% increase. But the simple fact that the right hon. Gentleman—and, I think, everyone—has to accept is this. The head of the UK Border Agency, Rob Whiteman, who also did not know that such unauthorised action was taking place, said this, and it is very important for the House to understand it:

> "Brodie Clark admitted to me on November 2 that on a number of occasions this year he authorised his staff to go further than ministerial instruction. I therefore suspended him from his duties. In my opinion it was right for officials to have recommended the pilot so that we focus attention on higher risks to our border, but it is unacceptable that one of my senior officials went further than was approved."

That is why Brodie Clark was suspended, and that is why the Home Secretary backed that decision, but it is important to understand that he was suspended by the head of the UK Border Agency. It was a decision quite rightly taken by him—backed by the Home Secretary, backed by me.

Edward Miliband: Isn't it utterly typical? When things go wrong, it is nothing to do with them—*[Interruption.]*

Mr Speaker: Order. Before the right hon. Gentleman continues, let me just emphasise this: there are Members on both sides of the House shouting their heads off. Members of the Youth Parliament last Friday—*[Interruption.]* Order. Members of the Youth Parliament spoke brilliantly and passionately disagreed with each other, but they did not shout at each other.

Edward Miliband: What did the Home Secretary say in the past, when she was in opposition and things went wrong on immigration? She said this:

> "I'm sick and tired of...government ministers...who simply blame other people when things go wrong."

The Prime Minister said yesterday, in his evidence to the Liaison Committee about the relaxation of border controls over the past few months, that

> "clearly this is not acceptable and it is not acceptable it went on for so long."

Why did the Home Secretary allow it to happen?

The Prime Minister: The right hon. Gentleman cannot on the one hand blame me for not taking responsibility and then quote very clearly my words taking responsibility and saying what is not acceptable. We are having a lecture on responsibility from a party that trebled immigration, let an extra 2.2 million people into our country, allowed everyone from eastern Europe to come here with no transitional controls, built up a backlog of half a million asylum claims, and made no apology about it. Even today, when the Leader of the Opposition was asked whether too many people were let into this country, his answer was a very simple no.

Edward Miliband: The right hon. Gentleman has been Prime Minister for 18 months. He cannot keep saying that it is nothing to do with him; it is his responsibility. One month ago he gave a speech on border controls called "Reclaiming our Borders", but while he was boasting about reclaiming our borders, his Home Secretary was busy relaxing our borders. Does the Prime Minister not think that he should at least have known?

The Prime Minister: The pilot that the Home Secretary introduced meant more arrests, more firearms seized and more forged documents found. That is the truth of it. The fact is that officials went further than Home Office Ministers authorised. That is what is wrong, and that is why someone had to be suspended—and that was the right decision.

The right hon. Gentleman asked what we have done. Let me tell him. We are completing e-Borders, so that by next April every flight from outside the EU will be checked; we are creating the National Crime Agency, with the dedicated border police; in the first six months, we seized more drugs than in the whole of last year; and last year we rejected 400,000 visa applications and turned away 68,000 people without the correct documents. I am determined that we have tough border controls, and finally we have a Home Office and an Immigration Minister who actually want to cut immigration.

Edward Miliband: Anyone listening to the Prime Minister would think that his policy has been a great success. It is a fiasco—a complete fiasco. The one thing that he cannot claim to know nothing about is cuts to the UK border force. Can he now confirm how many UK border staff are going to be cut under his Government?

The Prime Minister: By the end of this Parliament there will be 18,000 people working for the UK Border Agency—the same number as were working for it in 2006, when the right hon. Gentleman was sitting in the Treasury and determining the budgets. He asks about what we have done on immigration in 18 months in office. Let me tell him. We have introduced the first ever limit on work visas from outside the European Union. We have stopped more than 470 colleges from bringing in bogus foreign students. We have cut student visas by 70,000. Anyone who comes here to get married has to speak English. We are ending automatic settlement rights and stopping the nonsense of people misusing the Human Rights Act. In 18 months we have done more to control immigration than he did in 13 years.

Edward Miliband: The truth is, it is a fiasco and the Prime Minister knows it. That is the reality. It is a pattern with this Government: broken promises, gross incompetence, blame everybody else. He is an out-of-touch Prime Minister leading a shambolic Government.

The Prime Minister: As ever, the right hon. Gentleman just completely lost his way. I think he should spend a little more time listening to the author of "blue Labour", Lord Glasman, who said:

> "Labour lied…about the extent of immigration".

Where is the apology?

Q2. [79339] **Mr Gary Streeter** (South West Devon) (Con): On Friday, 3 Commando Brigade will be marching through the streets of Plymouth on their homecoming parade after a successful but costly tour of duty in Afghanistan. I know that the Prime Minister will be with us in spirit, but will he send a message of support today to those brave and very professional Royal Marines, of whom we are all so very proud?

The Prime Minister: I will certainly join my hon. Friend in doing that. I know that the whole of the south-west—and the whole country—is incredibly proud of the Marines, and we are proud of 3 Commando Brigade, who will be marching through Plymouth. I send my very best wishes for the homecoming parade, and we should also put on record what they have achieved in Task Force Helmand. They carried out 37,000 patrols, found more than 400 improvised explosive devices and trained more than 1,300 Afghan uniformed police patrolmen. They have made a real difference to the safety and security of that country, and to the safety of our country too.

Q3. [79340] **Lindsay Roy** (Glenrothes) (Lab): Does the Prime Minister think it right and proper or in any way defensible that the Royal Bank of Scotland, which received a massive bail-out during the crisis, should be paying out more than £500 million in bonuses this year?

The Prime Minister: No, I do not think it is acceptable. RBS has not yet set its figures for bonus payments. The British Government are a seriously large shareholder in RBS, and we will be making our views known.

Mr Edward Leigh (Gainsborough) (Con): In joining me in giving our condolences to the relatives of the Red Arrows pilot killed at RAF Scampton yesterday, will the Prime Minister acknowledge the overriding need for safety? Our campaign to save RAF Scampton from closure is based not just on sentiment for the historic home of the Dambusters, but on the overriding need for the safe uncluttered skies above north Lincolnshire that the Red Arrows need to practise safely.

The Prime Minister: I am sure that the hearts of everyone in this House go out to the family of the pilot who was killed in that terrible accident, which comes on top of a second accident that happened in the Red Arrows. This has obviously been a tragic time for something that the whole country reveres and loves, and I know that the Red Arrows' home in Lincolnshire is extremely important to them. We must get to the bottom of what happened, and I totally understand why my hon. Friend wants to stand up for the air base in his constituency.

Q4. [79341] **Gordon Banks** (Ochil and South Perthshire) (Lab): The trade unions yesterday published data showing that Clackmannanshire in my constituency has seen the largest growth in youth unemployment in this country. Given that we will not have the opportunity to question the Prime Minister on unemployment numbers next week, will he tell me why he is letting young people down in my constituency?

The Prime Minister: Obviously we face a difficult situation with unemployment, including among young people, right across the country, and we need to do everything we can to help people back into work. That is why there is record investment going into apprenticeships and the Work programme. However, the real need is to grow the private sector, because, frankly, this is a time when whoever was in government would have to make reductions in the public sector. The hon. Gentleman shakes his head, but any Government would have to do that: look across Europe at the reductions that are having to be made. We need to get the private sector growing, which is what this Government are focused on.

Q5. [79342] **Peter Aldous** (Waveney) (Con): Developing the considerable potential for jobs in the energy sector is central to economic recovery in my constituency, as is providing local people with the skills to take on those jobs. Will the Prime Minister ensure that the Government do all they can to fund the completion of the newly opened Pakefield high school in Lowestoft, which will play such an important role in skilling young people in a deprived area?

The Prime Minister: My hon. Friend makes an important point about the skills that that local school will bring. This year Suffolk has an extra £33 million in capital funds. It is obviously for the local authority to decide how to spend that money, but school capital available throughout this spending round and this Parliament amounts to £15.9 billion, so money is there for important school projects.

Q6. [79343] **Mr Gregory Campbell** (East Londonderry) (DUP): This weekend the nation will pause to remember, paying tribute to our war dead. At cenotaphs across the nation, we will pay homage to the men and women who have made the supreme sacrifice in conflicts down through the years. Does the Prime Minister agree that where there is a desire to display that tribute in an entirely non-partisan way, whether in shops, schools, churches or on football tops, it should be not only allowed, but positively promoted?

The Prime Minister: I completely agree with the hon. Gentleman, and sense that the entire House does too. It is a remarkable achievement of the Royal British Legion and the country as a whole that we have reintroduced over past years the sense of the silence taking place at the 11th hour of the 11th day, which is absolutely right. It is particularly appropriate in Northern Ireland, where so many people have served so bravely in our armed forces. Indeed, whenever I visit the Royal Irish Regiment, I am always struck by how many people from both sides of the border have served so bravely in our armed forces.

Q7. [79344] **Andrew Selous** (South West Bedfordshire) (Con): Less family breakdown would reduce the costs loaded on to our economy, so will the Prime Minister encourage health authorities throughout the country to take part in "Care for the Families: Let's Stick Together" pilots, when health visitors and volunteer parents offer relationship support to new parents in the early years of their family life, which is when half of all break-ups occur?

The Prime Minister: My hon. Friend has a great record in pushing forward that absolutely vital idea. It is a tragic fact that so many couples break up after the arrival of the first child because of all the stresses and strains that can bring. That is dreadful for those couples and dreadful for those children. We spend a huge amount as a country dealing with the problems of social breakdown; in my view we should spend more on trying to help to keep families together. Relationship advice and support, as he says, is absolutely vital in that.

Q8. [79345] **Mark Durkan** (Foyle) (SDLP): On Friday the UN Security Council will consider the democratically conveyed Palestinian request for full membership of the UN. Might not the international community do more to advance the prospect of a two-state solution by doing more to create a two-state process? In that context, will he ensure that the UK representative casts a positive vote on Friday, and does not go for the cop-out of abstention?

The Prime Minister: My right hon. Friend the Foreign Secretary will make a full statement to the House on this issue in a few moments, but let me say this: the British Government are fully behind the two-state solution, but I profoundly believe that we will get that not through declarations and processes at the UN, but through the two potential states—Israel and Palestine—sitting down and negotiating. All our efforts should go towards helping to make that happen.

Surviving Winter Appeal

Q9. [79346] **Tessa Munt** (Wells) (LD): If he will make it his policy to endorse the Somerset Community Foundation's 2011 Surviving Winter appeal.

The Prime Minister: The winter fuel payment provides valuable help to millions of people with paying their fuel bills. Individuals are of course free to donate their payment to a charity if they wish, but it must be a decision for them.

Tessa Munt: I thank the Prime Minister for that question. I would like him to congratulate Peter Wyman of the Somerset Community Foundation on having the brilliant idea of people donating some or all of their winter fuel allowance to those who need it most. Would the Government consider enabling such donations by including an option in the letter sent out about the allowance to allow an automatic donation to the Surviving Winter appeal?

The Prime Minister: I shall certainly look at that suggestion, but it is important to keep the promises that we made to Britain's pensioners about keeping up the winter fuel payments and cold weather payments. I would not want to see any unnecessary pressure put on people to do something that might not be in their own best interests.

Engagements

Q10. [79347] **Chris Leslie** (Nottingham East) (Lab/Co-op): The operational instruction from the UK Border Agency on 20 July says:

> "We will cease routinely opening the chips within EEA passports…checking under 18-year-olds against the warning index".

Did anyone in the Home Office clear that document? Given the conflicting stories between the Home Secretary's officials and her own version, will the Prime Minister publish all the ministerial instructions to the UKBA?

The Prime Minister: The hon. Gentleman is trying desperately to make up the ground lost by his party leader, but I am afraid that he has rather lost the House in the process. The point is that an inquiry will be carried out by the independent chief inspector of the Border Agency—the very person who found out what was going wrong in terms of operations undertaking that did not have the permission of Ministers, and all these issues will be aired.

Tracey Crouch (Chatham and Aylesford) (Con): On Christmas day 1914, British and German troops put down their weapons and played a football match in no man's land. The following day, the bloody hostilities resumed. Today, we wear the poppy in remembrance of our war dead. Will the Prime Minister join me in condemning the outrageous decision by FIFA to refuse the home nations' request to wear the poppy on their shirts this weekend as a simple mark of respect and remembrance?

The Prime Minister: My hon. Friend speaks not only for the whole House but for the whole country in being completely baffled—and, frankly, angry—at the decision made by FIFA. If teams want to put the poppy on their shirts, as many teams do in our football league, they should be able to do so at national level, whether it is the English team or the Welsh team. This is an appalling decision, and I hope that FIFA will reconsider it.

Q11. [79348] **Geraint Davies** (Swansea West) (Lab/Co-op): As poverty is rising, the Prime Minister is removing the requirement for people to register to vote in Britain, thereby removing millions of people's right to vote. Is he not taking their money with one hand and taking their votes with another? Is it not a grotesque distortion of democracy to force austerity measures on the most vulnerable while removing their voting power?

The Prime Minister: The point that I would make to the hon. Gentleman is that we are introducing individual voter registration, which is a Labour policy, so he should be welcoming it. I can understand why he does not necessarily support the idea of making all constituencies the same size, because his constituency has only 62,000 people in it, whereas his right hon. Friend the Member for East Ham (Stephen Timms) represents 91,000 people. I think that it is a basic act of fairness to have seats the same size. It was a demand of the Chartists in the 1840s, and I think that it is time we introduced it.

Q12. [79349] **Annette Brooke** (Mid Dorset and North Poole) (LD): Is the Prime Minister aware of the growing evidence of the increase in abuse, intimidation and harassment on park home sites across the country? Tackling those problems needs political will, not a large sum of money. Will he address the issues urgently, so that vulnerable park homers get the protection that they need and deserve as soon as possible?

The Prime Minister: The hon. Lady raises an important point. I have had constituency cases myself in which people have been treated very badly by park home owners. There are some extremely good park home owners, who not only obey the rules but demonstrate responsibility and compassion, but there are some who do not. We are committed to providing a better deal for park home residents by improving their rights and increasing protection against bad site owners. I will arrange for her to have a meeting with the Housing Minister so that they can discuss this urgent action.

Hazel Blears (Salford and Eccles) (Lab): In these difficult economic times, it is even more important for our politics to be in touch with the people we represent. Will the Prime Minister therefore welcome the first people to be successful in getting places on the Speaker's parliamentary placement scheme, who are with us here today? They are inspiring individuals who would never normally have the chance to work in politics. Will he agree to meet them and listen to their views on the relevance of the issues today, and perhaps on how we are all doing in our politics?

The Prime Minister: I would certainly join the right hon. Lady in the point she makes. She has made a huge amount of impact on this issue of social mobility, of wanting to help people who have not had good chances in life. I applaud her for that. If there is time in my busy diary, I will certainly do as she says. I think there is an important opportunity for everyone in this House to look at organisations like the Social Mobility Foundation that provide opportunities for interns from inner city schools to come and have the experience of working here in Parliament. I have used this scheme, as have other members of the Cabinet, and I think it is an excellent scheme to give people a really good chance to see what we do in this place—not just on Wednesday at 12 o'clock, but more broadly.

Q13. [79350] **Karen Lumley** (Redditch) (Con): Does my right hon. Friend think it right for hon. Members to take instruction from the GMB about how to vote on amendments?

The Prime Minister: My hon. Friend raises a serious issue—*[Interruption.]* I can hear, and I can sense, a bit of resistance, which is perhaps not surprising when 85% of Labour's money comes from the trade unions. When we discuss legislation in this House, we should be bringing our judgment, our ideas and our arguments, not just picking up a tired old brief from a trade union.

Q14. [79351] **Cathy Jamieson** (Kilmarnock and Loudoun) (Lab/Co-op): In my constituency of Kilmarnock and Loudoun there are over 3,000 people claiming jobseeker's allowance, but the latest figures show that there were only 300 job vacancies available. Jobs are being lost in the public sector and the private sector. How high does unemployment have to go before the Prime Minister will accept that his economic policies are simply not working?

The Prime Minister: Unemployment is too high today, and I want to see it come down from its already high levels. What we have to do to make that happen is to put resources into the apprenticeship scheme and into the Work programme to make sure that we do all the things that help businesses to employ people. That is what this Government are doing. We are cutting corporation tax, introducing enterprise zones and doing everything we can to help businesses. We will do that in the hon. Lady's constituency and throughout the country.

Joseph Johnson (Orpington) (Con): Italian bond yields have jumped this morning by more than a percentage point to an unsustainable 8.1%. Could the Prime Minister please say what eurozone leaders must now do to stop the contagion?

The Prime Minister: My hon. Friend makes an important point. If you do not have credibility about your plans to deal with your debts and deal with your deficits, whether you like the markets or not, they will not lend you any money. That is what we are seeing in countries like Greece and now, tragically, in Italy, where the price of borrowing money is reaching a totally unsustainable level. It is a lesson for all of us to have sustainable plans to get on top of our debt and our deficits. In terms of Europe, the problem of contagion is that as we agree a decisive write-down of Greek debt, people inevitably start asking questions about other countries. As that happens, you need to have in place the biggest possible firewall. That is what the European Financial Stability Facility is all about, and eurozone leaders urgently need to put flesh on the bones and put figures on the size of that firewall, to stop this contagion going any further.

Q15. [79352] **Andrew Gwynne** (Denton and Reddish) (Lab): Last year youth unemployment in Tameside stood at an unacceptable 20%—one in five. Today it stands at 34%, which is shocking. In light of that, does the Prime Minister still believe that the decision to scrap the future jobs fund was the right one?

The Prime Minister: Let me just make the point that under Labour youth unemployment went up by 40%—and the evidence that we received on coming into government was that the future jobs fund was three or four times more expensive than other job creation schemes. Indeed, in many parts of the country, including in the west midlands, the percentage of future jobs fund jobs that were in the private sector was as low as 2% or 3%. It was right to scrap the future jobs fund and put in its place apprenticeships, the Work programme and work experience that will make a difference to young people.

Alec Shelbrooke (Elmet and Rothwell) (Con): War is a failure of politics. The people who go to war are not politicians; they are brave service people who die in the service of their country. May I urge my right hon. Friend to write to FIFA to point out that the poppy is not a political symbol but a symbol that says that we respect the sacrifice that people have made on behalf of their countries?

The Prime Minister: I will certainly do as my hon. Friend suggests. I think that it is a question not just of writing to FIFA, but of asking its membership bodies, including the Football Association, to take a strong line. As my hon. Friend says, this is not an issue of left or right, Labour or Conservative. We all wear the poppy with pride, even if we do not approve of the wars in which people were fighting. We do it to honour the fact that those people sacrificed their lives for us. It is absolutely vital for FIFA to understand that, and I think that a clear message from the House and the Government can make it think again.

Sir Stuart Bell (Middlesbrough) (Lab): Given that Italy is now on what the Prime Minister has described as a "credible fiscal path", will he help the Group of Twenty's Finance Ministers to meet and contribute to the creation of a European financial stability pact in a way that will assist the eurozone?

The Prime Minister: The hon. Gentleman has made an important point. However, the first responsibility for building the bail-out fund must lie with the eurozone members. As we said in the House on Monday, the problem at the G20 is that the G20, the International Monetary Fund and countries such as Britain cannot be asked to do things that the eurozone members are not themselves prepared to do.

We do stand ready to boost the IMF, we do want to help countries in distress, and we do not want to see our trading partners collapse. We understand that, even though we do not support membership of the euro, if countries fall out of the euro it could be very painful for our economy. However, it is for the eurozone countries to sort out the problems. It is their currency.

Mr William Cash (Stone) (Con): In reply to my hon. Friend the Member for Orpington (Joseph Johnson), the Prime Minister referred to a firewall in relation to the bail-outs. Does he accept that what we really need is structural renegotiation of the treaties, given the impact that this is having on the United Kingdom? If I may use a cricketing analogy of which the Prime Minister will be aware, he would not be sent in with a broken bat. He would be sent in with a new bat, and with a united Conservative team behind him.

The Prime Minister: There is a long history in my party of cricketing metaphors and Europe ending unhappily, so I will not necessarily follow my hon. Friend down that path. What I will say is that we will defend the national interest. When there was a treaty change in the European Council we got something back for Britain, which was the ability to get out of the EU bail-out fund. If there are future treaty changes—some European countries are pushing for them—we will make sure that we achieve a good deal for Britain and protect our national interests.

Speaker's Statement

12.32 pm

Mr Speaker: I remind the House that this Friday is 11 November, Armistice day. Although the House will not be sitting on that day, many of us will be on the estate performing our parliamentary duties. I regard it appropriate that, at 11 am, we and staff working for us should join the nation in observing the two minutes' silence, so that we may remember those who gave their lives for their country to help preserve our democratic freedoms. Instructions will be issued to heads of House Departments, so that members of staff who wish to observe the two minutes' silence may do so.

Middle East and North Africa

12.33 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague) *rose—*

Mr Speaker: Order. I appeal to Members who are leaving the Chamber to do so quickly and quietly, so that the House can listen attentively to the statement from the Foreign Secretary. The Foreign Secretary is nodding vigorously in response to my proposition.

Mr Hague: Thank you, Mr Speaker.

The House will welcome an update on events in the middle east, including the middle east peace process and Iran's nuclear programme.

Let me begin by updating the House on the situation in Libya. The national transitional council declared Libya's liberation on 23 October after the fall of Sirte and the death of Colonel Gaddafi, starting the country's transition to democracy as set out in the council's constitutional declaration. A new interim Libyan Prime Minister, Mr al-Kib, has been appointed, and we expect other Ministers to be appointed soon. The forming of a new Government is due to be followed within eight months by elections to a new National Congress.

These are historic achievements. NATO operations came to an end on Monday 31 October, following the adoption of UN Security Council resolution 2016 on 27 October. The whole House will join me in paying tribute to our armed forces, whose contribution has saved many lives and helped to make the transition in Libya possible.

I visited Libya on 17 October to reopen our embassy and to hold talks with the Libyan authorities. We are providing communications and logistics support for Libya's new police force and deploying a British policing adviser. We are also supporting attempts to locate missing anti-aircraft weapons and to clear mines in Misrata, and giving advice on destroying stocks of chemical weapons. We are encouraging the Libyan authorities in their efforts to reintegrate former fighters, bring together Libya's security forces and provide employment opportunities. It is also important that the remaining International Criminal Court indictees, Saif al-Islam and Abdullah al-Senussi, be brought to justice before a court of law. We urge Libya's neighbours to arrest and surrender any indictee on their territory.

We are determined to address legacy issues from the Gaddafi regime, including the killing of WPC Yvonne Fletcher, the Lockerbie bombing and support for IRA terrorism. The Prime Minister discussed that with Prime Minister al-Kib on 5 November, and we welcome the new Libyan authorities' willingness to work with us to try to close this chapter of tragic events.

While progress is made in Libya, in Syria the situation is deteriorating. More than 3,500 people have been killed since March according to the UN. On 2 November, the Arab League brokered an agreement with President Assad, which we welcomed. That plan required the Syrian Government to implement an immediate ceasefire and end all violence; to withdraw their military from all Syrian cities and towns; to release all prisoners and detainees; to provide access for Arab League committees and international media; and to begin comprehensive engagement with the opposition. Implementation was to take place within two weeks.

[Mr Hague]

Apart from token measures, the Syrian Government have failed to implement the plan. Instead, the repression has escalated and at least 60 more people have died. The Arab League is due to meet this weekend to review the situation. We urge it to respond swiftly and decisively with diplomatic pressure to enforce the agreement, with the support of the international community. To us, these developments confirm that President Assad must step aside and allow others to take forward the political transition that the country desperately needs.

We will work to intensify pressure on Assad and his regime. On 14 October we reinforced EU measures to include sanctions against the Commercial Bank of Syria, the largest in the country. These sanctions, including the embargo on imports of oil from Syria into the EU, are already restricting sources of finance to the regime. We are working with our European partners on a further round of sanctions to be applied soon if the Syrian Government do not take immediate action to end the violence.

Turning to Iran, today the International Atomic Energy Agency will deliver its report on military aspects of Iran's nuclear programme. The report lays out clearly and objectively the evidence that the agency has uncovered of Iran's development of nuclear weapons technology. The board of governors of the IAEA will convene later this month to consider these grave findings. The assertions of recent years by Iran that its nuclear programme is wholly for peaceful purposes are completely discredited by the report. Iran is ramping up its production of uranium enrichment to levels for which it has no plausible civilian use, but which could easily and quickly be converted into weapons-grade material. The uncovering of the recent plot to assassinate the Saudi ambassador in the United States also shows Iran's apparent willingness to sponsor terrorism outside its borders.

Iran needs to change direction. We want a negotiated solution and have extended the hand of reconciliation to Iran time and time again. We are prepared to have further talks, but only if Iran is prepared to engage in serious negotiations about its nuclear programme without preconditions. If not, we must continue to increase the pressure, and we are considering with our partners a range of additional measures to that effect. Iran's actions not only run counter to the positive change that we are seeing elsewhere in the region; they may threaten to undermine it, bringing about a nuclear arms race in the middle east or the risk of conflict.

The events in the Arab spring and mounting concern over Iran's nuclear programme do not detract from the urgent need to make progress on the middle east peace process. I repeat our calls for negotiations on a two-state solution without delay and without preconditions, based on the timetable set out in the Quartet statement of 23 September. In our view, the parameters for a Palestinian state are those affirmed by the European Union as a whole: borders based on 1967 lines with equivalent land swaps; a just, fair and realistic solution for refugees; and agreement on Jerusalem as the future capital of both states.

Israel's announcement last week that it would accelerate the construction of 2,000 settlement housing units was wrong and deeply counter-productive. That was the eighth announcement of settlement expansion in six months. We also condemn the decision to withhold tax revenues to the Palestinian Authority, which was provocative and against Israel's own interests, as it has direct implications for the Palestinian Authority's ability to maintain effective security in the west bank. We call on Israel to revoke both those decisions. We are also concerned about the situation in Gaza and the constant risk of an escalation in violence. We believe the Israeli restrictions harm ordinary Palestinians, inhibit economic development, and strengthen rather than weaken Hamas. It will be both right and directly in Israel's interest if it permits increased imports of building materials for UN projects and for the private sector in Gaza; allows legitimate exports to traditional markets in the west bank and Israel; and reduces restrictions on civilian movement between Gaza and the west bank.

On Friday, the admissions committee of the Security Council will conclude its consideration of the Palestinian application and produce a report summarising Council members' views on whether Palestine meets the criteria for membership under the United Nations charter. As that could now soon be followed by a vote in the UN Security Council, it is appropriate to inform the House of the Government's intentions.

The United Kingdom judges that the Palestinian Authority largely fulfils criteria for UN membership, including statehood, as far as the reality of the situation in the occupied Palestinian territories allows, but its ability to function effectively as a state would be impeded by that situation. A negotiated end to the occupation is the best way to allow Palestinian aspirations to be met in reality and on the ground. We will not vote against the application because of the progress the Palestinian leadership have made towards meeting the criteria, but nor can we vote for it while our primary objective remains a return to negotiations through the Quartet process and the success of those negotiations.

For those reasons, in common with France and in consultation with our European partners, the United Kingdom will abstain on any vote on full Palestinian membership of the UN. We reserve the right to recognise a Palestinian state bilaterally at a moment of our choosing and when it can best help to bring about peace. The United Kingdom will continue to be one of the principal supporters of Palestinian state-building efforts, assisting the Palestinians to tackle poverty, build institutions and boost their economy. If their application to the UN Security Council fails, the Palestinian leadership have indicated that they may take the issue to a vote at the UN General Assembly, where different voting procedures and different considerations apply. We and the other countries of the European Union will continue to emphasise that any proposition put to the General Assembly must make a return to negotiations more likely.

For Israel, the only means of averting unilateral applications to the UN is a return to negotiations. A demonstration of political will and leadership is needed from both sides to break the current impasse. This includes the Israeli Government being prepared to make a more decisive offer than any they have been willing to make in the past.

The middle east peace process cannot be viewed in isolation from the rest of the region. In each country there is a huge opportunity for peaceful change, the advancement of human rights and economic development. The decisions they take now will affect their future security and prosperity, and we urge all of them to take the path of reform.

That was my message on my visit to north Africa last month, when I also travelled to Morocco and Algeria, and to Mauritania, making the first visit by any British Minister to that country. I welcome the fact that during my visit the Government of Mauritania announced that they will reopen an embassy in London. In all these countries I discussed political reform and declared our willingness to support projects through our Arab partnership initiative. That is already providing £6.6 million this year to projects that promote freedom of speech and political participation, support the rule of law, tackle corruption and help small business and entrepreneurs. Across the region we are working with the BBC and the British Council to develop new programmes to strengthen public debate, drawing on our country's long tradition and expertise in these areas.

Tunisia has set an example of what can be achieved peacefully. Its elections on 23 October were the first free elections of the Arab spring and the first in that country's history. This is a remarkable achievement. We look to those who have been elected to the constituent assembly to work together in forming a Government.

In Egypt, we welcome the decision of the high election commission to allow international NGOs to monitor its parliamentary elections on 28 November. On his visit to Egypt last month, the Deputy Prime Minister emphasised the need for a clear road map to democracy, and announced UK Arab partnership support to assist the democratic process and economic reform.

In Bahrain, we await the report of the independent commission of inquiry into the unrest in February and March, which has been deferred until 23 November. This report is a major opportunity and important test for the Bahraini Government to show they take their human rights obligations seriously and will adhere to international standards. We stand ready to help them implement recommendations from the report. In the meantime, we continue to encourage the authorities to address allegations of human rights abuses that are reportedly still occurring and remain of great concern.

In Yemen, finally, the political impasse is deepening insecurity and poverty. On 21 October, we helped to secure Security Council resolution 2014, which was adopted unanimously and signals clearly to President Saleh that the only way to meet the aspirations of the Yemeni people is to begin a transition on the basis of the Gulf Co-operation Council's initiative. We will continue to work with others to support a peaceful and orderly transition in Yemen.

Each country in the region has to find its own way, and we will work with Governments who strive to bring about greater political and economic freedom in their countries. The Government will work with international partners to maintain peace and security, promote democratic development and uphold the interests of the United Kingdom.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): I thank the Foreign Secretary for his statement, although the fact that it has been made today, reducing Opposition time, is a matter of regret.

This is the first statement we have had on foreign and Commonwealth affairs since NATO's Operation Unified Protector ended, after seven months of operations at sea and in the air. I am sure the whole House wants to pay tribute to the armed forces of all nations involved, and in particular to commend the professionalism of the British service personnel who have been involved in protecting the Libyan civilian population.

While we are dealing with matters related to armed conflicts in north Africa and elsewhere, could the right hon. Gentleman clarify whether reports today are true that the British Government intend to support efforts to change the position agreed in the 2008 convention on cluster munitions and permit the use of certain cluster munitions bombs produced after 1980? He will, I hope, take this opportunity of his response to agree with me that the achievement of the previous Government, taking a lead in reaching international agreement to prohibit the use, production, stockpiling and transfer of cluster munitions, was significant and should not now be reneged upon. I also welcome the steps, set out by the Foreign Secretary, that are being taken by the Government in Libya—and indeed Tunisia and Egypt—to translate popular uprising into stable democratic government.

In his last statement, the Foreign Secretary promised

> "to increase the pressure on the regime"—[*Official Report*, 13 October 2011; Vol. 533, c. 496.]

in Syria. Last Wednesday, he issued a statement saying that he commends

> "the Arab League's efforts in pursuing this initiative to stop the violence in Syria".

Of course the diplomatic involvement of Syria's neighbours in ending the violence would be welcome, but in his statement today he acknowledged that the situation in Syria has in fact deteriorated, with the UN stating that the death toll now exceeds 3,500. Sixty people have been reported killed since the Arab League began its involvement, many in the city of Homs. Can the Foreign Secretary therefore give his assessment of the realistic prospects for the Arab League's process, given this continuing pattern of violence? Can he also set out more specifically in his response what steps the British Government are urging on the Arab League when it meets this weekend?

Let me turn to the International Atomic Energy Agency's report, which we are given to understand indicates that Iran has carried out tests

> "relevant to the development of a nuclear explosive device".

The Foreign Secretary should be assured that he therefore has our full support in making clear to the Iranians their obligations under international law, our shared opposition to Iran developing a nuclear weapon—a step that would not only threaten Israel and Iran's immediate neighbours but the security of the whole region—and the need for Iran, as he put it, to change direction.

In the last statement to the House, the Foreign Secretary said,

> "We are working on further sanctions"—[*Official Report*, 13 October 2011; Vol. 533, c. 502.]

on Iran. Given that the case for further diplomatic measures will be strengthened by this latest IAEA report, can he now tell the House what progress has been made in developing those further sanctions? Can he also give his assessment of the implications of this news for proliferation across the region, given that none of us wants to see a nuclear arms race in such a volatile part of the world? Finally, can he give his assessment of

[Mr Douglas Alexander]

what prospects there are for further action at the United Nations level, given the stated positions of both China and Russia?

I welcome the fact that the Foreign Secretary has given a more substantive update on the situation in Bahrain in today's statement than was given in his previous statement. In our last exchange on the issue, the Foreign Secretary accepted that

> "national dialogue has not yet been successful in bringing everybody together in Bahrain."

Given his statement today that human rights abuses are still being reported, can the Foreign Secretary give his assessment of whether the prospects for national dialogue have improved?

In his last statement the Foreign Secretary also said:

> "We attach great importance to the publication"

of the report of the independent commission of inquiry into human rights abuses. At that time he said he expected the report on 30 October, but that has now been pushed back to 23 November. Can he explain why? Will he commit today to setting out the British Government's reaction in a written or oral statement to the House when that report is finally published?

Let me turn to the issue of Israel and Palestine. The need for progress on this conflict has, if anything, become more urgent in light of the recent changes in the region, which have only increased the Palestinians' desire for statehood and have shaken some of the core assumptions that have underpinned Israel's security in past decades. What is the Foreign Office's best assessment of the likely impact of the announcement by the Israeli Government of 2,000 more settlement units and threats to withhold Palestinian tax revenues, which the Foreign Secretary condemned, on the Quartet's attempts to facilitate a return to talks? Will he also join me in condemning the latest rocket attacks on the people of Israel?

The House is aware that, as the Opposition, we set out our position on the issue of Palestinian recognition on 20 September, and that in a letter to the Foreign Secretary on that date I said that the case made by the Palestinians for recognition at the United Nations as a state was strong. I said that the British Government should be willing to support the recognition of Palestinian statehood as part of continuing steps to achieve a comprehensive two-state solution, but I also said at the time that there remains a heavy onus on the British Government and other members of the international community to work to ensure that any change in the level of Palestinian recognition is followed by meaningful negotiations between the parties.

The Foreign Secretary rightly stated that the goal of all diplomatic efforts should be a two-state solution brought about by negotiations. On 13 October, he told the House:

> "Our words are all directed towards trying to bring about the resumption of negotiations between Israelis and Palestinians. How we act in the Security Council or on any motion that may come before the UN General Assembly will be determined by how we can bring about a resumption of negotiations."—[*Official Report*, 13 October 2011; Vol. 533, c. 497-502.]

Yet today the Foreign Secretary has been unable to explain his decision in reference to negotiations that have resumed. That is because no meaningful negotiations are taking place. After his statement today, many Members in all parts of the House will still be struggling to see how a decision to abstain is likely to help bring about resumed negotiations.

Given the absence of any meaningful negotiations between the parties at present, a point which I am sure the Foreign Secretary will not dispute, can he tell the House how his position of having no position is likely to advance the peace process? This decision announced by the Government today represents a further acceptance of and accommodation to a wider pattern of failure—failure to achieve meaningful negotiations, failure to meet the aspirations of the Palestinians and, indeed, the Israeli people, and continued failure by the international community to find a way through the present impasse.

Given the Government's decision announced today, what is the Foreign Secretary's assessment of the likely consequences of the Palestinians' bid for statehood being rejected in the Security Council? How will the Government cast their vote when the issue comes before the United Nations General Assembly? The House deserves a clear answer on this question. I hope in his response the Foreign Secretary will be able to offer a clearer sense of what he now regards as the realistic path forward to a negotiated two-state solution, which I sense the whole House is united in continuing to support.

Mr Hague: I am grateful, as ever, to the right hon. Gentleman. He asked about a report on a different subject, cluster munitions, but I will deal with it quickly. There is an Adjournment debate about this tomorrow, I think, which my right hon. Friend the Minister for Europe will deal with and set out the position in more detail. We certainly do not want to weaken what has been agreed in the past, so it is important not to believe everything written in newspapers on this subject, as on so many subjects.

On the questions that the right hon. Gentleman asked about Syria, yes, I think it is absolutely right for us to commend the efforts of the Arab League, without being able to have a huge amount of optimism about whether they will be successful. It is very good that the Arab League is engaged with the issue in a united way, and that pressure from within the region among the Arab states is being applied to the Assad regime. As in so many of these situations, that is far more likely to succeed than any pressure from western nations.

It is right to commend that pressure, but as I indicated in describing the events of the past week, matters have not improved since the putative deal with the Arab League was done, so it is important now for the Arab League to reinforce the pressure that it is applying to the Assad regime. There is a range of measures that the Arab League can take, from suspending Syria from the Arab League to much more concerted diplomatic pressure. It would be quite a major step for the Arab League to go beyond that, given its customary practices, but it is for the Arab League to consider. We will not try to lay down what it should do. We will continue to intensify our own pressure. We have already agreed in the EU sanctions on 56 individuals and 19 entities—importantly, as I say, on the Commercial Bank of Syria as well. That pressure will continue to increase on what is a completely deplorable and unacceptable situation in Syria.

On Iran, I very much welcome the right hon. Gentleman's support for much of what I said about Iran. He asked what the report meant for proliferation in the region. It is bad news about proliferation in the region. The principal problem with Iran's nuclear programme is that it threatens to drive a coach and horses through the non-proliferation treaty. Iran is a signatory to the non-proliferation treaty. It makes it much more likely that other states in the region will develop their own nuclear weapons programmes. Then the world's most unstable region will be in possession of the world's most destructive weapons. We have to take this situation with the greatest seriousness. Further action at the United Nations is difficult, given the positions of Russia and China, but I think it will be important for all the Security Council members to study the IAEA report and the forthcoming outcome of the board of governors meeting, and there will be a strong case for further discussions at the United Nations.

The right hon. Gentleman asked what further pressure we are considering. We have already introduced unprecedented UN and European Union sanctions on Iran. We are working to ensure their robust implementation to close loopholes and to discourage trade with Iran. We are in discussions about increasing this pressure, and we are also considering further unilateral measures, should Iran fail to comply with its responsibilities. Although I cannot go into precise detail now on the sanctions that we are considering, we are looking at additional measures against the Iranian financial sector and the oil and gas sector, and the designation of further entities and individuals involved with its nuclear programme.

On Bahrain, an assessment of whether the national dialogue will lead to success is, again, difficult to give. Some honest efforts have been made to reinforce and carry out that dialogue, but they have certainly not yet produced general agreement in Bahrain on the way forward. The right hon. Gentleman asked me to explain why the report of the commission of inquiry had been delayed. That is a matter for the Bahraini Government rather than for me to explain, but I hope it signals—*[Interruption.]* Well, one can take it as good news or bad news. I hope it signals that this is going to be a serious report when it is published on 23 November. Certainly, the composition of the inquiry suggests that its members will want to produce a very serious report. That is why we should attach great importance to it. The right hon. Gentleman asked whether, when the report is published, we would give the Government's reaction in a statement of whatever kind, including a written statement. We will certainly do that.

On the middle east peace process, the right hon. Gentleman asked whether actions are helping, including the settlement announcements. Clearly, they are not helping; nor are the rocket attacks on Israel, which he rightly pointed to. He pointed out that his position—and it is our position as well—is that any change in the status of Palestine at the United Nations must be accompanied by or followed by a return to meaningful negotiations. I think that there is common ground on that across the House, but it is how to act on that basis that gives rise to differences on how we should vote at the UN Security Council.

We consider there to be no substitute for negotiations under the Quartet process, which we obviously want to get going. We believe that it is vital for Israel and the Palestinians to embrace the opportunity to take the Quartet process forward, but we also believe that voting for full Palestinian membership of the United Nations at this moment would reduce the incentives for the Palestinians and the willingness of Israelis to find a negotiated solution. I fully respect a different point of view, but that is our judgment on the matter and that of most, if not all, European Governments in and outside the European Union.

A further factor in our decision is the fact that there has been a serious European effort to bring about a resumption of negotiations by supporting the Quartet. That effort will continue. I do not expect any of our European partners to vote at the Security Council for Palestinian membership. A serious divergence in our voting behaviour at the Security Council at this point would disrupt and complicate European efforts to revive and support negotiations.

Several hon. Members *rose*—

Mr Speaker: Order. A great many right hon. and hon. Members are seeking to catch my eye. If I am to accommodate a reasonable number of them within the very heavy time pressures we face, extreme brevity from Back and Front Benches alike is vital. The way can be led by the Chairman of the Foreign Affairs Committee, Mr Richard Ottaway.

Richard Ottaway (Croydon South) (Con): The Foreign Secretary has confirmed that the IAEA will be publishing a critical report on Iran's nuclear ambitions. Does he agree that we must ensure that the choice does not come down to a military strike against Iran on the one hand, or a nuclear Iran on the other? Even though the Russians do not want to get involved, will he mobilise the international community to bring back the toughest sanctions possible before we are caught between a rock and a hard place?

Mr Hague: My hon. Friend is absolutely right. That is the urgency of the situation. I hope no one in the world wants to be confronted with the choice he refers to. That is why our dual-track approach is so important; we are prepared to negotiate with Iran through the E3 plus 3, but at the same time we can increase the peaceful and legitimate pressure. It is a peaceful pressure, but it is an increasingly strong economic pressure through the sanctions we are applying. That is designed very much to avert the terrible choice to which he refers.

Mr Ben Bradshaw (Exeter) (Lab): I commend the Foreign Secretary for making his announcement on Palestinian statehood to the House first and wish that more Cabinet Ministers would do the same. Is it not clear from what he said about the expansion of illegal settlements, the fact that President Obama, as we have heard, has to deal with Mr Netanyahu every day and the fact that still nothing is happening that an abstention at the United Nations would simply be an abdication of responsibility and achieve nothing?

Mr Hague: As I said, I think that will be the position of many of our partners and many members of the Security Council, based on our best judgment of what

[Mr Hague]

is likely to bring about a return to negotiations. The shadow Foreign Secretary rightly said that such meaningful negotiations are not taking place at the moment, but the best chance for a viable, durable Palestinian state living in peace with Israel is for such negotiations to be resumed and to succeed. It is certainly our judgment at the moment that a positive vote at the UN Security Council would not help to bring about a return to negotiations. I entirely respect a legitimate alternative view, but that is our judgment and that of the French Government and many of our colleagues.

Sir Menzies Campbell (North East Fife) (LD): I fully support everything my right hon. Friend said about Syria, Libya, Iran and Bahrain, but I hope that he will forgive me for registering my profound disappointment that the United Kingdom will abstain in Friday's vote in support of Palestinian membership of the United Nations. Does he understand that many on both sides of the House, and indeed in the country, believe that such a decision is wrong in principle, is ultimately against British interests and will reduce our influence in the region?

Mr Hague: Clearly I disagree with my right hon. and learned Friend on that point. British interests are in a negotiated settlement; we have no higher interest than that in the middle east peace process. We want to see successful negotiations between Israelis and Palestinians leading to a two-state solution. We have to act in a way that is consistent with that and supports it. There are differences of opinion on how best to do that, but our judgment is that it can best be done by acting in this way. It is also the general judgment of our European partners. He is a strong enthusiast of Britain acting with our European partners, but we would be going in the opposite direction if we were to vote differently. I am often asked to ensure that we work closely with our European partners, but when such a situation arises people want me to go in a different direction.

Mr Jack Straw (Blackburn) (Lab): I endorse entirely the remarks of the right hon. and learned Member for North East Fife (Sir Menzies Campbell). Will the Foreign Secretary please think again about this? His argument seems entirely tactical, yet there is absolutely no evidence that holding back from a decision to vote for this, which I think he would otherwise support, will encourage Israel to come to the table. Surely the whole weight of the argument is that Israel will come to the table only if the international community is firm with it.

Mr Hague: I did not notice under the previous Government a dramatic recognition of Palestine or support for its membership of the United Nations—*[Interruption.]* It seems the right hon. Gentleman is still learning as he goes along. He is right that the judgment is largely tactical. Our tactical judgment is that this is the best way to proceed at this moment in the peace process when we are faced with this particular situation. We strongly support the successful creation of a viable Palestinian state. As I pointed out in my statement, under successive Governments the UK has been one of the biggest supporters of that in so many ways, including financially, and the judgment takes nothing away from that, but we believe that we have to maximise the incentives for Palestinians to re-enter negotiations without setting many preconditions and the willingness of Israelis to find a negotiated solution, however frustrated many of us may be with them, and we believe that that is best served by voting in the way I have described.

Nicholas Soames (Mid Sussex) (Con): Does my right hon. Friend agree that the World Bank, the International Monetary Fund, the UN and the EU have all assessed the performance of the Palestinian Authority and reported that they are ready for statehood and that, therefore, the consequences of an abstention at the Security Council on 11 November will be severe? Our partners in the middle east look on amazed while we support the right to self-determination in every other country in the region but deny the Palestinians the same right. I strongly urge him to order a reconsideration of the matter and exercise a positive vote at the Security Council.

Mr Hague: As my right hon. Friend well appreciates, Palestinians are in a different situation. We strongly support their right to a state and a two-state solution in the middle east, but all concerned must concede that such a state can come into meaningful existence only as a result of successful negotiations with Israel. That is where we must direct our efforts. It is not right at this time to vote for a resolution that is not linked to negotiations. That would give the impression that there is a better way of proceeding than returning to negotiations. At this moment there is no better way.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I support the Foreign Secretary's view that only direct negotiations between Israel and the Palestinians will solve the conflict. Does he consider that in the current situation the Palestinians are refusing to go back to the negotiating table because they regard the unilateral declaration as an alternative to negotiations in which they would have to recognise Israel?

Mr Hague: The hon. Lady's point is related to the one I am making, which is that we should not encourage the idea that at this moment there is a substitute for negotiations that will bring about a Palestinian state, because realistically there is not. That is why we have taken this position. I think the Palestinians should be ready to re-enter negotiations without setting additional preconditions, but I also think that Israel has to enter negotiations with a readiness to make a much more decisive and—if I may describe it like this—generous offer to the Palestinians than it has been prepared to make for many years. Both things are necessary to bring about a successful negotiation.

Nick Boles (Grantham and Stamford) (Con): Is it not the case that the UN process is a distraction from the biggest obstacle to what we all want to see, which is an independent Palestine living alongside a secure state of Israel? That biggest obstacle is the unchecked nuclear ambition of Iran. It is simply inconceivable that the Israeli people will accept another state becoming a base for Iranian proxies in the way that south Lebanon and Syria have been until we sort out the problem of Iran.

Mr Hague: It is certainly true that the behaviour of Iran makes peace in the middle east a much more difficult goal to attain. My hon. Friend is absolutely right about that. However, I would say—and I do say—to Israeli leaders that the conduct of Iran makes it all the more important for them to settle their differences with the Palestinians and seek to arrive at a two-state solution. That is a very important aspect of the argument as well.

Mr Bob Ainsworth (Coventry North East) (Lab): Does the right hon. Gentleman agree that there is little chance of a united international, and therefore effective and peaceful, response to the Iranian nuclear weaponisation programme unless other regional players take a lead in those international forums? Is there any chance—has he seen any sign—of their preparedness to do so?

Mr Hague: There is a lot in what the right hon. Gentleman says. It is very important that strong international concern is expressed beyond western nations and United Nations Security Council members. He will know that there is immense anxiety in the Arab world about, for instance, the behaviour and intentions of Iran. We do look to those countries to take a stronger public position in the coming months than the positions they have been prepared to take in recent years.

Robert Halfon (Harlow) (Con): Is my right hon. Friend aware that, as reported in *The Wall Street Journal*, Prime Minister Netanyahu has in the past couple of days announced a dismantling of illegal settlements? That could mean more settlers being removed than since the evacuation of Gaza, which led to increased terrorism. Does he agree that it is difficult to support a Palestinian state when part of it is still controlled by terrorists funded by Iran?

Mr Hague: I am aware of announcements made by Prime Minister Netanyahu. Nevertheless, I say to my hon. Friend that the overall effect of Israeli settlement announcements is very negative, is the wrong judgment and does not help the peace process. We should be absolutely clear about that. I readily agree with him on his second point. Clearly, the situation in Gaza—the continued intransigence of Hamas—certainly does not help the peace process or help to persuade Israelis that a partner for peace is available to them.

Richard Burden (Birmingham, Northfield) (Lab): Does the Foreign Secretary agree that Palestine's bid for membership of the United Nations is a lawful one and that it asks no more than the recognition that Israel has demanded as non-negotiable for itself and which was granted by the United Nations 63 years ago? When lawful acts like this and the recent UNESCO decision to admit Palestine to membership are met with reprisals through accelerated settlement building, financial boycotts and attempts in the Israeli Parliament and on the streets of Jerusalem to gag Jewish Israeli groups that dare to speak out for peace and human rights, how is it credible for the UK to sit on its hands and abstain? The time has come to make up our minds.

Mr Hague: There are two points to respond to. It is certainly entirely wrong to respond to votes such as the one that took place in UNESCO with reprisals of any kind—with announcements of new settlement construction and the withholding of tax revenues. That aggravates and escalates a difficult situation and does not help Israel any more than it helps Palestinians.

The hon. Gentleman said that we are sitting on our hands. The important point is that, across all the European nations involved in these matters, we are absolutely not sitting on our hands. We are trying to get negotiations going again through the Quartet, the work of Baroness Ashton—the EU High Representative—and all the representations that the United Kingdom, France and Germany make. We are all highly active in that regard. However, at this moment in the very difficult fortunes of the peace process, it is consistent with that approach for us to act in the way I have described.

David Tredinnick (Bosworth) (Con): Will my right hon. Friend re-evaluate the travel ban in parts of Kenya, particularly in Malindi, which is an important tourist resort where thousands of African workers have no work and are likely to be—or could be—recruited by terrorists? Many local people believe it is now safe.

Mr Speaker: My geography may be at fault, but I do not think it is. The Foreign Secretary is a wise man and he will judiciously and briefly deal with the matter.

Mr Hague: My hon. Friend is stretching north Africa down in a southern and eastward direction. He has written to me on the subject, so I will be responding to him in any case.

Mr Speaker: Marvellous.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): As it is clearly a waste of time asking the right hon. Gentleman to reverse his deplorable decision on Palestinian membership of the United Nations, may I ask him to endorse the French President's character reference of the Israeli Prime Minister?

Mr Hague: It would not be in the interests of the United Kingdom for the Foreign Secretary, whoever that may be, to endorse any such remarks. We do not get into endorsing leaked conversations.

Duncan Hames (Chippenham) (LD): The Foreign Secretary is more patient than I am in waiting for the Israeli Government to return to meaningful negotiations with the Palestinian authority. When will his patience, like mine, have run out?

Mr Hague: Well, it will not last for ever. I do not think the Israeli Government regard me—or the position of the United Kingdom—as patient on this subject because we have spoken to them extremely frankly about what they need to do. Nevertheless, however frustrated we are, we all have to recognise that the resumption of negotiations is the only way to bring about the Palestinian state that we seek. We have to act in a way that is in accordance with that, which is why we have taken the decision we have.

Mr David Winnick (Walsall North) (Lab): The Iranian regime is dreadful. Its tyranny is notorious and we all condemn it—at least I hope we all do. Does the Foreign Secretary accept, however, that any military attack on that regime would be counter-productive and have devastating consequences in the region? Will he give a commitment now that under no circumstances will this country be involved directly or indirectly in any such attack?

Mr Hague: It is always right to warn against all the unknowable consequences in any situation of military action but, as the hon. Gentleman knows, our concentration is on efforts to negotiate with Iran and apply peaceful pressure to it. We are not calling for or advocating military action, but we have also always made it clear under successive Governments—this remains our position—that no option has been taken off the table.

Stephen Phillips (Sleaford and North Hykeham) (Con): Two matters are now clear beyond peradventure in relation to Iran. First, that Iran is in the process of acquiring nuclear weapons; secondly, that the existing sanctions regime has not worked at all in seeking to deter it from that course. Russia and China stand in the way of the further sanctions that my right hon. Friend has indicated it would be the Government's intention to seek, but we have friends in the middle east who can exercise their own pressure on both Russia and China. Will he give an undertaking that that is precisely what the Government will seek to do with those friends in the middle east?

Mr Hague: Yes. As I emphasised to the right hon. Member for Coventry North East (Mr Ainsworth), the former Secretary of State for Defence, it is very important that the pressure does not just come from western nations. It is very important that there is increased pressure and attention on the matter throughout the middle east, and we will certainly be seeking to encourage that.

Mr Nigel Dodds (Belfast North) (DUP): May I welcome what the Foreign Secretary said about addressing legacy issues arising from the Gaddafi regime, particularly his explicit reference to IRA terrorism? I look forward to continuing to work with him and his team in the Foreign Office on that issue. On Israel, has he any evidence to suggest that recognition of a Palestinian state would encourage Hamas and those like them, including Iran, to stop their support for the annihilation of Israel and, by extension, the Jewish people?

Mr Hague: I welcome what the right hon. Gentleman says about the legacy issues. Of course, we will continue to work with him and others on these subjects. We have no evidence that what he describes would be the result. That underlines, of course, the importance of a negotiated solution. Passing motions in the United Nations will not resolve the issue, but a successful negotiation between Israel and Palestine would do so.

Andrew Percy (Brigg and Goole) (Con): The Foreign Secretary's statement seemed to focus very much on the actions of Israel rather than on the actions of the Palestinian Authority, which continues to threaten the state of Israel and not to do enough about terrorist attacks on Israel. However, may I urge him to look again at whether we abstain? Surely we should be voting against this unilateral and provocative act that will do nothing to bring anybody to the negotiating table.

Mr Hague: We will not vote against it, for the reasons I gave in my statement. I disagree with my hon. Friend a little on this. In recent years, under President Abbas, the Palestinian Authority has done a very good job of building up many of the attributes of statehood. In particular, the work of Prime Minister Salam Fayyad has been excellent in this regard. We must not lose sight of that. On the other hand, of course, there is Gaza and the behaviour of Hamas; the Palestinian Authority is not in control of that situation, so I can meet my hon. Friend halfway on that. The Palestinians have done a good job of building up many of the attributes of a state, and that is why we could not countenance voting against this resolution.

Joan Ruddock (Lewisham, Deptford) (Lab): But surely the Foreign Secretary must understand that an abstention in these circumstances is equivalent to a no vote. Does he understand the despair that this will cause, and does he not accept that this will encourage Hamas and undermine President Abbas, who, as he said, has done so much to try to forward the peace process?

Mr Hague: No, I do not agree with that. President Abbas has always understood that such an application would not succeed in the United Nations Security Council. After all, it is the position of the United States that it would, if necessary, veto such a resolution. There is no Palestinian expectation that this application would succeed in the Security Council. What is important is what comes after this discussion. Of course, we want to see the resumption of negotiations in the Quartet. If that does not work, I think that the Palestinians will return relatively quickly to the United Nations General Assembly, where, as I said, different considerations will apply because the terms of any resolution there have yet to be framed. We will do our utmost to ensure that any such resolution helps the return to negotiations.

Mr Matthew Offord (Hendon) (Con): Does the Foreign Secretary agree that the conflict is a political one that can be resolved only at the negotiating table, and that the talks should resume as soon as possible without any preconditions? May I therefore urge him, as have other Government Members, to reconsider and vote no against any application?

Mr Hague: My hon. Friend is right that it is a political problem that requires a political solution. There is no legal solution that can be imposed in this respect; a successful political process is required. I agree with him about that. However, for the reasons I gave earlier about the very good work that has taken place in the Palestinian Authority in moving itself towards statehood, we would be unable to vote against its application for membership of the United Nations.

Ian Austin (Dudley North) (Lab): Many people listening to the statement will be very surprised that the Foreign Secretary devoted so much more time to criticising Israel than to criticising Iran's attempts to develop nuclear weapons, which threaten the stability of the entire region and could trigger a regional arms race and threaten Israel's very existence. In addition, he did not have a single word to say about terrorist attacks on Israel sponsored by Iran. What conversations has he had with his international counterparts about an increased sanctions regime and any other measures designed to bring Iran to its senses?

Mr Hague: I have set all that out already, so I do not want to repeat myself. I covered a very wide range of subjects in the statement. I do not think our concern about each subject should be measured by the number of words on it. The middle east peace process is a particularly complex matter that therefore requires a good, detailed explanation. I think that what I have said about Iran is very clear, and I set out in response to the shadow Foreign Secretary how we are proceeding on additional measures.

Mr Robin Walker (Worcester) (Con): The Foreign Secretary was right to say that Tunisia has set an example of what can be achieved peacefully, and its first free elections are a remarkable achievement. He will recall that the events that triggered the downfall of the undemocratic Government in Tunisia were caused primarily by economic hardship. What can the UK and its allies do to ensure that there is an economic recovery in north Africa to underpin the positive political progress we have seen?

Mr Hague: There is an enormous opportunity to create much stronger economic and trading links between the whole of Europe and the countries of north Africa. It is part of the excitement and the vision that is now possible in the Arab spring that we can envisage Tunisia, Libya and, we hope, Egypt opening up economically, provided that we open up to them. It is now vital that we implement the European neighbourhood policy agreed in May, including better market access into Europe for products, including agricultural products, from north Africa to begin that process of much stronger links between our countries.

Ann Clwyd (Cynon Valley) (Lab): One hundred and seven hon. Members from across this House have signed a motion in support of Palestinian statehood at the UN. Surely at a time when the negotiations have virtually stalled, one way of kick-starting them is to get a positive vote for the Palestinians at the UN. If, as it is said, they are one vote short of achieving that, it would be an absolute disgrace for this country to sit on the fence.

Mr Hague: The difference of judgment is on whether voting for the application in the current situation at the UN Security Council would help a return to negotiations. Our view, and the view of the Government of France and many other Governments, is that it would not do so—that such a vote, if we all voted in that way, would reduce the incentives for Palestinians, and the willingness of Israelis, to engage successfully in negotiations. We differ only on that point. I entirely respect the legitimate view that we should vote in favour, for all the reasons the right hon. Lady and others have put, but our overall judgment is that a return to negotiations is best served by the course I have set out.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): This year, although on separate occasions, my right hon. Friend and I were the first British MPs to visit Mauritania since its independence in 1960, when the Father of the House visited. This shows the previous Government's lack of engagement with Francophone north Africa. I very much hope that as a result of my right hon. Friend's visit we will give due consideration to establishing an embassy in Nouakchott and issuing a speedy invite for the President of Mauritania to come and meet the Prime Minister.

Mr Hague: My hon. Friend blazed a trail by being the first British MP to go to Mauritania in a very long time. I can assure him that people there are still talking about his visit, and they will be for a long time to come. I strongly welcome the work that he has undertaken. We now have one diplomat based in Nouakchott, and of course we may want to expand that presence in future. I do not want to go any further than that at the moment.

Tony Lloyd (Manchester Central) (Lab): The Foreign Secretary rightly drew attention to our need to have dialogue with the Arab League, and possibly Turkey, about Iran and Syria. Does he accept that while we do not buy friendship with those we work with, nevertheless the decision announced today about the vote on Palestine will not be well understood by our friends in the Arab world?

Mr Hague: I think the situation in the Security Council is quite well understood in the Arab world. As I pointed out to one of the hon. Gentleman's colleagues, there has been no serious expectation that a bid to the Security Council could be successful; given the position of the United States, it is not possible for it to be successful. What matters, therefore, is what happens next. It is very well understood in the Arab world that we have been increasing the pressure on Israel and increasing our condemnation of actions such as the settlement activity undertaken by Israel, and that we are doing our utmost to restart negotiations.

Martin Horwood (Cheltenham) (LD): I strongly welcome the Foreign Secretary's support for enhanced but peaceful pressure on Iran. Will he confirm that our preferred approach for more aggressive intervention in other states by anyone is that there should be a strong legal and humanitarian justification, regional support and, if possible, explicit sanction by the United Nations?

Mr Hague: My hon. Friend is quoting me back at myself in what I have said about the strengths of our intervention in Libya. I have said that any necessary intervention is greatly strengthened by such things and that they are, and remain, criteria for us. Clearly, we are not advocating military action; we are advocating an increase in peaceful, legitimate pressure, as well as the continued offer of negotiations.

Hywel Williams (Arfon) (PC): Will the Foreign Secretary call on the Turkish Government to end their criminalisation of legitimate democratic Kurdish organisations and, in particular, will he condemn the arrest of the Assembly Member, Büsra Ersanli, the veteran writer and publisher, Ragip Zarakolu, and many others on clearly politically inspired charges?

Mr Hague: We do raise human rights cases with Turkey and I will certainly consider the cases that the hon. Gentleman has described. We will have many detailed discussions with Turkey because of the state visit of the President of Turkey in two weeks' time. I will look at those cases ahead of that visit.

Mr Philip Hollobone (Kettering) (Con): Are sanctions against Iran likely to work unless China and Russia both get involved?

Mr Hague: Russia and China are involved in the current framework of United Nations sanctions, which is approved by the UN Security Council, including by Russia and China. It is important that we do not have the impression that those countries are not concerned about this subject or that they have not been helpful on many occasions. It is true that we would go further, however. In the light of the IAEA report we will certainly want to focus minds on this subject, including in Moscow and Beijing, so there will be further discussions with both countries.

Mr Denis MacShane (Rotherham) (Lab): Does the Foreign Secretary agree that all women doctors should be released from Bahraini prisons, that all our parliamentary colleagues in Bahrain should be able to resume their functions, and that all Ministers who sanctioned torture a few months ago should be placed on trial? We do not need to wait for a whitewash report before he can say yes on all three points.

Mr Hague: We want human rights to be fully respected in Bahrain. It is wrong of the right hon. Gentleman to say in advance of the report that it is a whitewash. We will be able to see whether it is or not and to form our own judgment. It is wrong of him to form his judgment before its publication. It is best to respond to such things after their publication. In the meantime, we will of course continue to advocate to the Bahraini Government that they should have the maximum respect for the human rights of their citizens, just as we would expect in this country.

Jo Swinson (East Dunbartonshire) (LD): Iran's continued nuclear weapons programme and the rising tensions in Israel constitute a terrifying tinderbox in the middle east. The military rhetoric from some quarters in the United States is very worrying. How is the Foreign Secretary using our improving bilateral relationships with Brazil, India and other emerging economies to increase the economic and diplomatic pressure on Iran?

Mr Hague: We always raise this issue with the emerging powers of the world. The position of such countries is generally not as favourable to sanctions, including on Iran, as our position and the general European and American position. Again, I hope that the detail of the IAEA report will increase the focus on the behaviour of Iran in countries such as Brazil and India.

Mike Gapes (Ilford South) (Lab/Co-op): The Foreign Secretary will be aware that some countries believe that Britain and France should not have seats at the Security Council, but that there should be a European Union seat instead. Is he saying that when there is no consensus in the European Union and when Germany objects, we will in future abstain in the Security Council?

Mr Hague: No, and I assure the hon. Gentleman that I will never agree to an EU seat at the United Nations Security Council. It is important that British and French permanent membership is continued. Of course, there are many occasions on which we vote in different directions. However, on the middle east peace process, the EU has worked together to pursue a determined initiative in a united way, working with Cathy Ashton, so there is a premium on European unity being maintained on this issue.

James Morris (Halesowen and Rowley Regis) (Con): Does the Foreign Secretary agree that we are rapidly approaching a tipping point with Iran and that a peaceful solution is looking more unlikely in relation to its nuclear programme?

Mr Hague: We are entering a more dangerous phase—let me put it that way. When the IAEA report is officially published, everybody will be able to see what it says. Of course, the longer Iran pursues a nuclear weapons programme without responding adequately to calls for negotiation from the rest of us, the greater the risk of a conflict will be.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): The importance of involving women in post-conflict situations is well known. Will the Foreign Secretary tell us what support that the Government are providing to countries such as Egypt, Libya and Tunisia is going specifically towards ensuring that women are fully involved in the development of democracy?

Mr Hague: Certainly some of our Arab Partnership fund is going towards that. In Egypt, for instance, we are helping to fund training for women to participate in the forthcoming elections. We also raise this issue more broadly with the new leaders in the region. When I visited Tripoli last month, I raised with Chairman Jalil of the national transitional council the importance of ensuring the wider involvement of women in society and politics in Libya. It will certainly help that country's post-conflict reconstruction and progress if it does that.

Several hon. Members *rose*—

Mr Speaker: Order. I am sorry to disappoint colleagues, but the statement has run for just over an hour and we must move on, given the pressures of time.

Points of Order

1.35 pm

Kate Green (Stretford and Urmston) (Lab): On a point of order, Mr Speaker. You will be aware that I contacted your office first thing this morning to give notice of my intention to raise a point of order regarding amendments that I tabled last week on Report of the Legal Aid, Sentencing and Punishment of Offenders Bill. Three of those amendments related to employment rights for workers at the Legal Services Commission. I was advised on those amendments by the GMB trade union. My entry in the Register of Members' Financial Interests makes clear my membership of and relationship with that union, but I regret that I did not draw attention to that last week in the Chamber because the amendments did not relate specifically to the union, but to the rights of individual employees. None the less, I apologise to the House if hon. and right hon. Members have been misled. I am grateful to you, Mr Speaker, for allowing me to set the record straight.

Mr Speaker: That point of order was most courteous and the matter rests there. I am extremely grateful to the hon. Lady.

Kevin Brennan (Cardiff West) (Lab): On a point of order, Mr Speaker. Tomorrow, Mr James Murdoch will return to give evidence to the Culture, Media and Sport Committee. Will you confirm whether it would be in order for the Committee, if it chose to do so under the Parliamentary Witnesses Oaths Act 1871, to require him to give evidence under oath? Will you also confirm that if false evidence were given, he would be subject to penalties for perjury under the Perjury Act 1911?

Mr Speaker: The hon. Gentleman has correctly stated the procedural position. I am familiar with both those Acts, which are important. I say to him that how these matters are pursued is for the determination of the Chair and members of the Committee.

I think that there was another point of order, but perhaps it or the person responsible for it has been exhausted. That is probably just as well.

Travellers (Unauthorised Encampments)

Motion for leave to bring in a Bill (Standing Order No. 23)

1.37 pm

Simon Kirby (Brighton, Kemptown) (Con): I beg to move,

That leave be given to bring in a Bill to enable police forces and local authorities in England and Wales to disperse unauthorised traveller encampments with the minimum of delay; and for connected purposes.

I am delighted to have the opportunity to present this Bill to the House. I hope that it will address the concerns of my constituents in Brighton, Kemptown, the constituents of my neighbour, my hon. Friend the Member for Hove (Mike Weatherley), and the constituents of right hon. and hon. Members up and down the country regarding unauthorised Traveller encampments.

We all recall the scenes at Dale Farm in Essex a few weeks ago. I am aware of the strength of feeling about unauthorised Traveller encampments in Brighton and Hove. I recently held a public meeting in Woodingdean in my constituency that was attended by more than 1,000 people. I have also taken part in a peaceful demonstration organised by local residents, which was attended by a similar number of people, near a site that has not been ruled out as a possible Traveller site by the Green-run Brighton and Hove city council. The refuse, damage and inconvenience that, whether we like it or not, often accompany unauthorised sites are more than some communities want to bear. There have been numerous incursions this year in Brighton, which have only aggravated the problems and heightened feelings on this matter.

I am grateful to the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), for his help in addressing some of these issues in the Westminster Hall debate that I secured early this year. However, it was clear from that debate that many hon. Members, with seats across the country, have their constituencies affected by this issue and that more therefore needs to be done. This is about protecting local green spaces and sports facilities. In my constituency, there have been unauthorised encampments at Happy Valley, Sheepcote Valley, Wild park and on the Black Rock site. Furthermore, Travellers riding motorbikes across football pitches while children are attempting to play football in front of their mums and dads is simply unacceptable.

We need clarity and a strengthening of the law. My Bill seeks to achieve these two distinct aims, and has two objectives: the first is to give local authorities and the police additional powers and responsibilities to help to move unauthorised Traveller encampments on more quickly. Nothing irritates my constituents more than to see an illegal encampment on their doorsteps for weeks on end. They do not understand why the public authorities often seem powerless or unwilling to move on the vans, cars and other vehicles that so often accompany these events.

The second objective is to clarify the law as it affects the police and local councils. Hon Members will be aware that the key Act regulating the relationship between the police and local authorities is the Criminal Justice and Public Order Act 1994. As I understand it, there

[Simon Kirby]

was a clear intention in that Act to enable unauthorised Traveller encampments to be moved on promptly, but over the years, because of case law and interpretation, it seems as though the Act is being implemented more liberally than the then Government had intended. Given what we have seen this year, it is time to restore the original intentions of the Act, and my Bill will do just that. It contains four provisions. First, it will clarify the Act so that the police have to take action when an unauthorised encampment appears. We know that the police are not obliged to move Travellers on, and this is a matter of real contention, especially in Brighton and Hove. It cannot be right that if a local authority or local landowner does not move quickly, neighbours of the site have to deal with the matter as best they can. The police should be obliged to move an unauthorised Traveller encampment whenever one occurs.

Secondly, we need to review the welfare check process to ensure that when Travellers move within a local authority area, the authorities do not have to undertake the same checks on the same people again and again, so delaying the possibility of moving the Travellers on. It is nonsense to review the health and welfare of people checked only the week before, because it delays moving the Travellers on and causes frustration and concern for local residents. Clearly, where there are health and welfare matters to manage that affect an individual and their family, these should not be used as an excuse for delaying action against the whole Traveller group.

Next, I believe that the authorities should have increased powers to impound Travellers' caravans and associated vehicles, if the owners do not move on as directed. The existing powers in section 62C of the 1994 Act need strengthening. We need to end, once and for all, the cat-and-mouse issues that arise as Travellers move from one site to another one nearby. Often these moves are a matter of only 100 yards or so, and as local taxpayers are paying to clear up the mess on one site, often the offenders have reappeared down the road, which puts the legal process back to square one. This cannot be right. The threat of impounding vehicles, if Travellers do not move on right away or if they do not comply with instructions issued to them, should be a serious deterrent to non-compliance

Finally, there needs to be a requirement for local authorities to maintain an out-of-hours service so that the issue of unauthorised encampments can be addressed at weekends, in the evenings and on bank holidays. Any hon. Member who has had experience of Travellers in their constituency will know that they frequently arrive on a Friday evening and move on just before a court order is enforced. It seems to me that an out-of-hours service would not only enable work on the moving on of unauthorised encampments to begin immediately, but mean that welfare checks could be carried out more promptly.

Much has been said about how seeking to move unauthorised Traveller encampments on more quickly is racist or discriminatory. Nothing could be further from the truth. Both the Travelling and settled communities need clarity, which I hope that my Bill will increase. Hard experience has shown that after 17 years, the 1994 Act is not having the effect originally intended by Parliament and does not enable the police and local authorities to move Traveller encampments on quickly enough. When we witness these scenes, we cannot, as hon. Members, stand by and do nothing.

Historically, the role of the House has been to strike a fair and appropriate balance between the roles and responsibilities of different groups of people in this country and to rectify that balance when necessary. The costs, the inconvenience and the sheer frustration of the settled community need to be addressed, which is what my Bill seeks to do with sensible step-by-step changes to existing laws, while acknowledging how the relationship between Travellers and the settled community has changed over recent years. The people of Brighton, Kemptown desperately want change and desperately need clarity, and people up and down the country want those two things as well. I believe that now is the time for both the change and the clarity. My Bill will help to bring about both.

Question put and agreed to

Ordered,

That Simon Kirby, Mike Weatherley, Heather Wheeler, Nicholas Soames, Mark Garnier, Priti Patel, Jack Lopresti, Nigel Adams, Caroline Nokes, Karen Bradley, Robert Halfon and Paul Maynard present the Bill.

Simon Kirby accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 January 2012, and to be printed (Bill 247).

Opposition Day

[Un-allotted Day]

Border Checks Summer 2011

1.48 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I beg to move,

That this House notes with concern the significant reduction in the level of security and border checks at UK ports of entry in the summer of 2011; and calls on the Government to publish immediately all relevant Home Office submissions to Ministers, together with the instructions from Home Office Ministers to the UK Border Agency (UKBA) regarding passport checks in the summer of 2011 and the relevant operational instructions from UKBA executives to staff and all data collected by the UKBA on the level of checks at each port of entry since July 2011.

We have called this Opposition day debate to discuss the events in border control this summer, because Parliament and the public need answers. I am sorry that more Cabinet Ministers have not joined us for the debate, because this borders fiasco is now escalating. The Home Secretary did not answer all the questions put to her on Monday, she could not answer all those from the Home Affairs Select Committee today, and she and her Immigration Minister are refusing to do television, radio or newspaper interviews on the subject. However, she cannot hide on the important issue of border control. Answers are needed, and her account of what led to the weakening of border controls this summer is now at odds not just with the memos from the UK Border Agency, but with the account of one of her most senior officials, Brodie Clark.

The public need the truth, so let us be clear about the information that the Home Secretary needs to provide. Most importantly, we still need to know the scale of the security breaches that have taken place. Does the Home Secretary yet have any estimate of how many people were affected by the weakening of border controls? The Prime Minister could not tell us today.

On Monday the Home Secretary told us that she was concerned about the routine removal of checks for EU citizens, the suspension of the watch list in Calais and the suspension of fingerprinting non-EU citizens on top of the removal of watch list checks for children, which she authorised. Border agencies have told us of repeated cases in which adults did not have their passports swiped at all, along with no checks against the watch list, not just at Calais but at other ports. The Home Secretary needs to tell us whether that happened.

Several hon. Members *rose—*

Yvette Cooper: Before I give way to Back Benchers, I should like to offer the Home Secretary the opportunity to intervene and tell us whether watch lists were relaxed—*[Interruption.]*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The debate is going to continue, so everybody can listen to the debate, and if the right hon. Lady wishes to give way she will do so. We do not need people to keep coming up, one after another.

Yvette Cooper: I should like to give the Home Secretary the opportunity to clarify quickly whether the watch list was relaxed at any ports of entry other than Calais.

Alok Sharma (Reading West) (Con) *rose—*

Yvette Cooper: The Home Secretary has not intervened, so let me give way to the hon. Gentleman.

Alok Sharma: Listening to the tone of the right hon. Lady's opening comments, one would almost think that her party had left immigration in absolutely perfect order. Let me remind her that it left a system which her own Home Secretary at the time said was "not fit for purpose", with a backlog of 450,000 asylum cases, and that Lord Glasman, her own colleague, said:

"Labour lied…about…immigration and the extent of illegal"—*[Interruption.]*

Mr Deputy Speaker: Order. The House will come to order on both sides, and if we are going to have interventions they must be much shorter and we must not make speeches. That will come later.

Yvette Cooper: The hon. Member for Reading West (Alok Sharman) has obviously got himself into a Whips-induced lather, but if he is concerned about asylum cases he may want to ask the Home Secretary about the 100,000 cases that have now been written off, as identified in the Home Affairs Committee report.

Charlie Elphicke (Dover) (Con): I am a representative of Dover. This issue is a key concern to my constituents, as is Brodie Clark's statement that such controls had been relaxed since about 2008-09. Who authorised that relaxation?

Yvette Cooper: The hon. Gentleman, as a representative of Dover, will I know be concerned by the removal of the watch list checks in Calais. Like him, I certainly look forward to Brodie Clark's evidence to the Home Affairs Committee next week. I am not sure whether the Home Secretary will be looking forward to his evidence in quite the same way, but I am sure that he will set out at that point—

Sir Gerald Kaufman (Manchester, Gorton) (Lab): On a point of order, Mr Deputy Speaker. In view of the fact that the Government deliberately took an hour away from this time-limited debate with a statement that could easily have been made yesterday, will you make it difficult for hon. Members reading out Whips' questions to intervene on my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper)?

Mr Deputy Speaker: Sir Gerald knows as well as I do that that is not a point of order. He has certainly made the point that people were upset by the statement, but it is for the Government to decide the business of the House, and they control the business of the House. I have certainly already recommended shorter interventions, however, and I am sure that that will have been taken on board.

Yvette Cooper: Thank you, Mr Deputy Speaker.

The Home Secretary has still not told us the extent of the reduction in border checks throughout the country. She said on Monday that she had no clue how many people walked into the country under reduced checks. On Monday, she did not even know which airports were

[Yvette Cooper]

covered by her pilot projects and her decisions. Yesterday she told the Select Committee that she knew which airports were covered in theory, but she had no idea which ones had taken up her pilot project.

Data exist, however. According to the internal e-mails that I have seen, downgrading checks to level 2 is recorded by terminals. Indeed, one would expect it to be. How could the so-called pilots be monitored if the data were not being collected on what was happening? So, does the Home Secretary have those data? Can she tell us now how many times checks were downgraded at how many airports since her decision in July? Has she even asked to see those data, and if she has not, why on earth not? What have this Home Secretary and the Immigration Minister been up to?

If the Home Secretary does have access to the data and has seen the figures on the number of times that checks were downgraded to level 2, will she step up to the Dispatch Box now and tell us what the data say? The public have a right to know what the downgrade in security was this summer. Again, we hear a deafening silence from the Home Secretary. Again, we do not know what data were collected.

Robert Halfon (Harlow) (Con) *rose—*

Yvette Cooper: I will give way to the hon. Gentleman, and I hope that he shares my concern that we still do not have any clear data on the way in which border security checks were downgraded this summer.

Robert Halfon: I have just a simple question for the right hon. Lady. How many people entered the UK without being checked against the warnings index between 2008 and 2010?

Yvette Cooper: The hon. Gentleman's constituents will want to know what is happening now, and what happened this summer. His Government and his Home Secretary cannot answer the questions. They cannot even tell us more about the pilots, or the decisions they thought they were taking—what they thought they were signing up to.

We know that the Home Secretary thought that in theory her pilot covered European citizens, but in practice it routinely did so. That is a funny definition of a pilot. It was not just one Thursday afternoon a month in Luton; it was every airport and potentially every European citizen. Millions of them entered Britain this summer, and they formed the majority of foreign citizens entering the country, so how many of them missed the full checks? How many of them did the Home Secretary expect to face reduced checks when she gave the go-ahead for this so-called pilot earlier this year?

We know, too, from the UK Border Agency's internal minutes this summer that there was a reference to

> "mixed views on the summer pressures work, including the concern that not checking children on the watch list may facilitate child trafficking".

Officials raised that concern within the UKBA, and I raised it with the Home Secretary on Monday. She will know that the House has repeatedly expressed deep concern about people trafficking across Europe, so did she even consider those risks before she took her decision?

The intention of Labour Ministers and, I had always understood, Conservative Ministers, too, was to strengthen our border checks year on year. We all agree that there were difficulties in the past, but I thought that we all agreed, too, on the remedy—that we should roll out e-Borders, biometrics and new technology; make sure that enough staff were in place so that we could increase checks and cover everybody properly by counting people in and out; and every year extend the technology and strengthen the checks.

This Home Secretary and this Home Office made a conscious decision to turn the clock back and to reduce the checks. What they put in place this summer was a new regime of lower not higher checks, using less rather than more technology.

Sajid Javid (Bromsgrove) (Con) *rose—*

Yvette Cooper: I will give way to the hon. Gentleman if he can tell me whether he believes we should strengthen and extend biometric tests, rather than reduce them.

Sajid Javid: I thank the right hon. Lady for giving way. In 2008, the then Government reduced warnings index checks on European economic area nationals, children and adults, on Eurostar services, and they did so on 100 separate occasions between 2008 and 2010. She was a senior member of the previous Government, so can she tell the House whether she supported that measure?

Yvette Cooper: I am sorry, but the hon. Gentleman needs to understand that biometric checks increased every year under the Labour Government; his Government have undermined them and rolled them back. What is the point of Britain investing loads of money in biometric technology and passports, if we then switch off the system every time a European citizen goes through it? What on earth is the point of that investment, which our Government supported and were extending and rolling out, but which the hon. Gentleman's party and his Government seem to have backed off from and ditched, undermining the border controls that are in place?

Mr David Evennett (Bexleyheath and Crayford) (Con): I am grateful to the right hon. Lady for giving way. We are listening with great interest to her rewriting of history. Does she not agree that the Government of whom she was a member left the system in a real mess? This Government are trying to improve things and clear up the problem.

Yvette Cooper: If this is what the hon. Gentleman calls improving things—dearie me. We should be strengthening controls. Those controls had been strengthened, year on year, but in my view they should have gone further. We should be doing more to roll out e-Borders and extend biometrics. He does not seem to realise that his Home Secretary removed the biometric checks. She has been undermining many of the checks that should have been taking place.

Secondly, we need to know who authorised what, because serious allegations have now been made, both by the Home Secretary against a senior civil servant and by a senior civil servant against the Home Secretary. Her advisers seem to have briefed the newspapers that

Brodie Clark was a rogue official. She told the House that he had taken responsibility and that she would make sure that "those responsible are punished". He has said that her statements were wrong. The Home Secretary has a history of high-level spats, but this is considerably more serious than a political row over immigration and the future of cats; this is a dispute over the security of our borders. We need to know what advice she was given. What were the precise terms of the pilots that she signed off? What was communicated to the UK Border Agency about her decision? Was the memo—which I know she is aware of—from the Border Agency saying that it would cease routine biometric checks of EU citizens cleared by her, the Minister for Immigration or Home Office officials? Is it an accurate or inaccurate reflection of the instructions that were sent out from her office, or the description of the pilot in the submission that she received and signed off?

Matthew Hancock (West Suffolk) (Con): Will the right hon. Lady give way?

Yvette Cooper: Again, I notice that the Home Secretary is silent, so I will give way to the hon. Gentleman.

Matthew Hancock: I am grateful to the right hon. Lady for giving way. However, she has not yet mentioned the fact that Rob Whiteman, Mr Clark's boss, has said that Mr Clark overstepped and did more than was authorised by Ministers. That is why he had to be suspended.

Yvette Cooper: We now have different accounts from different officials, the Home Secretary and the memos from the Border Agency that have been revealed. What the public want to know is the truth. That is why we need the information to be published. We need to know what information the Home Secretary gave to the Border Agency, what instructions were given to the Border Agency and what instructions were given by the Minister for Immigration. What information was provided to Ministers from the Border Agency? What monitoring did they ask for? What monitoring did her Minister for Immigration do? By the way, it is good to see him here today. He has been completely silent and absent from this entire debate. Indeed, in the light of these revelations, we wonder what job he is in fact doing. What information did either Minister ask for when they decided to extend the pilot just six weeks ago?

Mr David Winnick (Walsall North) (Lab): Is it not crucial that we know Mr Clark's version of events? We look forward to his giving evidence next Tuesday, because so far we have simply had the Home Secretary. Why should a senior civil servant of 40 years standing wish to mislead us or give a wrong impression to Parliament?

Yvette Cooper: My hon. Friend is right: we need to hear Brodie Clark's evidence to the Select Committee on Home Affairs, which will be important. However, we also need to know what it says in the instructions that the Home Secretary's office gave to the Border Agency. That by itself should clear a lot of this up. What did she decide? What were her instructions to the Border Agency? Has it accurately reflected those instructions or not? She should publish that information and those data. Let us get to the bottom of what has been going on.

Thirdly, the Home Secretary needs to provide us with more information and assurances about resources. It is clear from the internal memo and from the Border Agency that staff were under pressure. One internal management e-mail says:

> "If we aren't using level 2"—

the reduced level of checks—

> "the assumption is we won't be using secondary staff to support any pressures...as you know, this is a message we have put out time and time again...We cannot continue to pull resources from other parts of our business when we are not making use of all the tools available to us".

In other words, the Border Agency was not allowed to ask for extra staff when things got busy unless it had already downgraded to a lower level of checks.

People do not like queues when they come back from holiday—the kids are crying, it is very stressful, or perhaps they are late for a business meeting—but they stand there, looking at all the empty booths, and thinking, "Why aren't the extra staff put on? Why aren't the extra lines open?" Now we know the answer: because the Border Agency has been told that it has to cut the checks that are in place. Some 6,500 staff are going from the Border Agency, with 1,500 going from the border force, including more than 800 this year alone. The Prime Minister told the House with great pride that the level of staff was returning to the level of 2006. Really? I have to say that I do not think that border controls were strong enough in 2006. We were right to strengthen them and to keep strengthening them. *[Interruption.]* If Government Members really want to roll back the clock and reduce the checks and border controls that are in place across this country, they are completely out of touch with their constituents across the country, who want to see proper immigration controls in place.

Margot James (Stourbridge) (Con): Does the right hon. Lady think that the border controls were ever strict enough under the last Government? Let me tell her that my constituents will never forgive that Government for letting in 2.2 million people, a population twice that of our nearest city, Birmingham.

Yvette Cooper: It was right to increase and strengthen those border controls and to increase biometric checks. However, if the hon. Lady wants to intervene again, I have to ask her: does she agree with the pilot that her Home Secretary introduced, which reduced those biometric checks and removed checks against the watch list for EU children?

Margot James: I will not presume to comment on the decisions that the Home Secretary made, but I will say this. It was quite—*[Interruption.]*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The House must come to order. We want to hear the interventions as well as the speeches.

Margot James: Thank you, Mr Deputy Speaker. It was quite reasonable to assume that a pilot should be undertaken in the European economic area, such that not everybody was subjected to the same tests as those identified as being in a high-risk group. I do not see why anyone should argue with that decision.

Yvette Cooper: This is a pilot that covered millions of people over many months and has led to Home Secretary being unable to tell us how many people have wrongly been allowed into this country as a result.

Several hon. Members *rose—*

Yvette Cooper: If Government Back Benchers want to declaim their support for the pilot, I will happily allow them to do so.

Brandon Lewis (Great Yarmouth) (Con): I appreciate the right hon. Lady's generosity in giving way again. Does what she has said about 2006 mean that she agrees with the mea culpa—I think that was the phrase—of the Chairman of the Home Affairs Committee when he said that the problem started under her Labour Government?

Yvette Cooper: I agree that Labour Home Secretaries were right to increase the controls and to increase new technology, which is why I am so shocked that Conservative Ministers and the Conservative party are so enthusiastic about rolling back those border checks now. We have seen that the scale of the cuts is putting pressure on the UK Border Agency just as the scale of cuts to policing is putting pressure on community safety. People across the country fear that corners are being cut and that border security is being put at risk by the scale of the Government's border cuts. This needs to be sorted out. We have had the embarrassing spectacle of a Home Secretary who does not know what she agreed to, how it was being implemented or how great the security risks were.

Tristram Hunt (Stoke-on-Trent Central) (Lab): It is a question not simply of cuts, but of competence. Whether with Building Schools for the Future or the selling off of forests, this Government are simply not fit for purpose.

Yvette Cooper: My hon. Friend is right. The most shocking thing of all is that the Government do not seem to know what has been happening on their watch.

Time and again, Ministers have blamed the previous Labour Government and civil servants, but the Home Secretary might want to think back to "Question Time" in 2004 and a debate with the then Immigration Minister, Beverley Hughes. The current Home Secretary said at that time that she found it

> "absolutely extraordinary that she's...blamed officials in her department for this decision to be taken...I'm sick and tired of government ministers...who simply blame other people when things go wrong."

Indeed, Home Secretary.

The House does not expect the Home Secretary to know every detail of what is going on in the agencies for which she is responsible all the time, but we expect her to get on top of things and to sort them out when they go wrong.

Five days on, the public still do not know what on earth has been going on in the Home Office and at our borders. Time and again, this Home Secretary has not been on top of the facts and has not taken action to sort things out. She seems to be making things worse.

We cannot afford a Home Secretary who cannot cope with a crisis or sort out a fiasco. Border security and public safety are too important for us to have a Home Secretary whose authority is continually being sapped. She cannot blame the previous Government and she cannot blame officials. It is her watch. She needs to provide the facts that she has been unable to provide so far and to provide the answers, and she needs to do so today.

2.12 pm

The Secretary of State for the Home Department (Mrs Theresa May): May I first welcome the sudden interest of the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) in immigration and border security? It is a bit rich coming from the party that gave us 2.2 million total net migration, the foreign national prisoner scandal, Sangatte, a 450,000 asylum backlog, no transitional controls for eight eastern European countries, the Human Rights Act 1998, and a points-based system that failed to reduce immigration.

The Leader of the Opposition says that immigration was not too high under Labour; the shadow Home Secretary claims that the previous Government were reducing immigration; and now they have appointed a shadow Immigration Minister who says that public concern about immigration is "nonsense" and "huff and puff" generated by tabloid newspapers. None the less, I am willing to welcome any convert to the cause of controlling immigration.

Let me remind the House why we are here. As I said in my statement to Parliament on Monday, there are two separate issues. First, as I have explained, the Immigration Minister and I authorised a limited pilot this summer, which—in limited and specific circumstances—allowed the UK border force to use more intelligence-led checks against higher-risk passengers and journeys instead of always checking European economic area national children travelling with parents and in school groups against the warnings index, and always checking EEA nationals' second photographs in the chip inside their passport. In normal circumstances, all standard checks would be carried out.

That was a perfectly reasonable thing to do—stronger checks on high-risk passengers aimed to achieve more arrests, more seizures of illegal goods and more stops of illegal immigrants. Far from weakening our border controls, those procedures were aimed at strengthening our border. The results of the pilot are not yet fully evaluated, but initial UKBA statistics show an almost 10% increase in the detection of illegal immigrants and a 48% increase in the identification of forged documents compared with the year before.

I therefore want to be absolutely clear to the House: my pilot did not in any way put border security at risk. That was my assessment, and it is the assessment of UKBA and security officials.

Yasmin Qureshi (Bolton South East) (Lab): Why was the Prime Minister not informed that those pilot schemes were being carried out?

Mrs May: If that is the best question the hon. Lady can come up with, I am sorry I gave way to her.

Several hon. Members *rose—*

Mrs May: The second and very separate issue is that senior UK border force officials, without my authorisation, ordered the regular relaxation of border checks, beyond what I had sanctioned, and not just in the limited circumstances that I had authorised. First, biometric checks on EEA nationals and warnings index checks on EEA national children were abandoned on a regular basis, without my approval. Secondly, adults were not checked against the warnings index at Calais, without my approval.

Several hon. Members *rose—*

Mrs May: Thirdly, the verification of the fingerprints of non-EEA nationals from countries that require a visa was stopped on regular occasions, without my approval. Not only that, but checks on the second photograph in the biometric chip of passports of non-EEA nationals were also regularly stopped, again without my approval.

Let me say again: I did not give my consent or authorisation for any of those decisions. In fact, I stated explicitly in writing that officials were to go no further than what had been agreed in the pilot—*[Interruption.]*

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We want to hear what the right hon. Lady has to say. We want a debate on Home Affairs, so let us listen to what is said. If she does not wish for hon. Members to intervene, she will not give way. If she gives way, that is fine, but at the moment, we must listen to her.

Mrs May: As I said, I did not give my consent or authorisation for any of those decisions.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab) *rose—*

Mrs May: I will give way to a former Home Secretary.

Mr Blunkett: I am very grateful to the Home Secretary. Did any other Minister give their consent or, by indicating that they needed to clear the backlog at Heathrow, indicate that any measures should be taken to free up resources to do that?

Mrs May: I am setting out very clearly the pilot for which consent was given by the Immigration Minister and me.

Chris Bryant (Rhondda) (Lab): The Home Secretary says that she put something in writing. Is she prepared to put everything that she put in writing in the public domain in the Library of the House this afternoon, so that, instead of having to take just her word for what her pilot was, we can see the truth in black and white?

Mrs May: All relevant documents will be going to the relevant inquiries. That is entirely the right way to do it.

I remind hon. Members that last night, the chief executive of the UK Border Agency, Rob Whiteman, confirmed that Brodie Clark, the head of the UK border force, admitted to him that he went beyond ministerial instructions. That is why Mr Whiteman suspended Mr Clark immediately. He took that decision as chief executive of UKBA, and before he informed me of his meeting with Mr Clark. Subsequently, two other senior officials have been suspended and I have ordered three separate investigations, as I outlined to the House on Monday, and I have placed the terms of reference for those inquiries in the House of Commons Library.

Mr David Burrowes (Enfield, Southgate) (Con): Since 2008, warnings index checks have been suspended on 100 occasions. Has my right hon. Friend discovered whether those suspensions were authorised by previous Labour Home Secretaries?

Mrs May: That is a very interesting question. I note that the right hon. Member for Normanton, Pontefract and Castleford chose not to answer it when she was asked it during an intervention.

I am aware that Mr Clark has released a statement—it was referred to by the right hon. Lady—in which he made several allegations. Those allegations will of course be addressed by the inquiries, but as they relate to what I have already told the House, I would like to address them. First, he says that he did not introduce

"additional measures, improperly, to the trial of our risk-based controls."

But let me read to the House the statement issued last night by Rob Whiteman, the chief executive of the UK Border Agency:

"Brodie Clark admitted to me on 2nd November that on a number of occasions this year he authorised his staff to go further than Ministerial instruction. I therefore suspended him from his duties. In my opinion it was right for officials to have recommended the pilot so that we focus attention on higher risks to our border, but it is unacceptable that one of my senior officials went further than was approved."

Mr John Denham (Southampton, Itchen) (Lab): The right hon. Lady's case is that she agreed to weaken border controls in July—

Hon. Members: No.

Mr Deputy Speaker: Order. I must make the same point again. We all want to hear the interventions; otherwise, the Home Secretary cannot answer.

Mr Denham: The right hon. Lady agreed to weaken border controls in July. She then tells the House that what actually happened went much further than she intended. Will she now tell us why she agreed to extend this policy of weaker border controls in September? Is it not the case that, had she asked the most basic questions of Mr Clark or anybody else about what was actually happening in ports and airports, she would have known that thousands of people were coming into this country unchecked?

Mrs May: I have already made it absolutely clear to the House that the premise of the right hon. Gentleman's question is wrong. My pilot did not put border security at risk. That is not just my assessment; it is the assessment of UKBA and of security officials.

Mr Clark says that

"those measures have been in place since 2008/09."

But if he is talking about the warnings index guidance, published in 2007, that guidance makes it clear that any relaxation of warnings index checks should be done in extreme circumstances for health and safety reasons. It does not permit the extent of the relaxations that were allowed. And if he thought that these measures were

[Mrs May]

already allowed, why did he seek ministerial approval for new pilot measures this year? I gave no authorisation for the relaxation of checks beyond what we had allowed under the terms of the pilot. But, given that Mr Clark says that his relaxed measures were allowed since 2008-09, can Ministers from the last Government give the same assurance?

Mr Jack Straw (Blackburn) (Lab): Could the Home Secretary tell us which ports or airports she has visited, from the instigation of the pilot in July up to now, and with whom she discussed the progress of the pilots on those visits?

Mrs May: The right hon. Gentleman is fully aware that we allowed the pilot to take place, and the evaluation of it to come up to Ministers at the end of the pilot.

Mr Clark says that I implied that he

"relaxed the controls in favour of queue management".

Mr Straw: Do I take it from the Home Secretary's answer that she visited no ports or airports in that time period?

Mrs May: I say to the right hon. Gentleman that I was willing to allow officials to make an evaluation—*[Interruption.]* I will come on later in my speech to the point about the information that was available to Ministers.

Mr Clark says that I implied that he

"relaxed the controls in favour of queue management"

and that he came under pressure from Ministers to reduce queues, but I have never speculated about his motives, and I have never told officials to reduce queues at the expense of border security. Finally, Mr Clark says that he had been pressing for the trials "since December 2010" and that he was pleased when I agreed to the pilot arrangements. He certainly was pressing for changes to border checks, including the suspension of automatic fingerprint checks of visa nationals, which I rejected. But now, of course, he says that such measures were already available to him, and have been since 2008-09. I stand by every word I told the House on Monday and yesterday and again today.

I now want to turn to the questions raised by the shadow Home Secretary. She said repeatedly that I had not yet answered them—

Several hon. Members *rose—*

Mrs May: I will give way to the Chairman of the Select Committee.

Keith Vaz (Leicester East) (Lab): I thank the Home Secretary for giving evidence to the Select Committee yesterday. When she did so, she made a profound statement about the future of the UK Border Agency, saying that the UKBA of today would be very different from the UKBA of tomorrow. What will be the main differences, once she has completed what appears to be a reform programme?

Mrs May: I pay tribute to the Home Affairs Select Committee for the light that it has shone, for some considerable time, on the UK Border Agency under this Government and the previous one. The precise shape of UKBA in the future is under discussion at the moment. The new chief executive has been in post for six weeks, and he is looking at what he thinks needs to be done. As the right hon. Gentleman knows, one of the issues that we are looking at is the question of establishing the border police command under the National Crime Agency and the relationship that it will have with the UK Border Agency.

Several hon. Members *rose—*

Mrs May: I will not give way.

I was about to deal with the questions raised by the shadow Home Secretary. She has repeatedly said that I have not answered her questions. If she reads *Hansard*, she will find that I have, but let me answer them again. She asked for the precise terms of the pilot scheme that I authorised. I have just set out those terms. I authorised the pilot, under limited circumstances, to allow UK border force officers to use more intelligence-led checks against higher-risk passengers and journeys, instead of always checking EEA national children travelling with parents and in school groups against the warnings index, and always checking European nationals' second photographs in the chip inside their passport.

The shadow Home Secretary also asked whether I, Home Office Ministers or Home Office officials signed off the operational instruction distributed by UKBA. The answer in all three cases is no. This was a regular operational instruction, and she should know that Ministers—neither under this Government nor under the last—do not sign off such instructions. UKBA operational instructions are signed off by UKBA officials. She asked whether the operational instruction distributed reflected Government policy, and I can tell her that yes, it did, in that it allowed for a risk-based assessment—*[Interruption.]*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The right hon. Member for Blackburn (Mr Straw) should know better than to keep standing.

Mrs May: The operational instruction did reflect Government policy because it allowed for a risk-based assessment when opening the biometric chip of EEA passports and checking EEA national children against the warnings index when they were travelling with parents or as part of a school party.

Yvette Cooper: The Home Secretary has just made an extremely important statement. She said that the UK Border Agency's interim operational instruction did reflect Government policy. That operational instruction says

"We will cease:

Routinely opening the chip within EEA passports.

Routinely checking all EEA nationals under 18 years against the Warnings index".

If that is Government policy, it is little wonder that, across the country, people have been routinely stopping doing the biometric checks in EU passports and stopping doing the watch index checks. The instruction does not say "Only in exceptional or limited circumstances". It says "We will cease routinely" to do those checks.

Mrs May: The whole point is that they were allowed, in certain circumstances, not to open the chip—*[Interruption.]* The whole point is that they were allowed, in certain circumstances, not to check children against the warnings index. And the whole point is that officers were allowed to exercise their discretion.

Where the instruction says that officers should escalate further measures, it refers of course to the warnings index checking policy put in place in 2007 under the Government of which the right hon. Lady was a member. I have to tell the right hon. Lady that the quotes she has been eagerly e-mailing around the Lobby come from a policy put in place by her own Government.

The right hon. Lady referred to staff numbers. What she failed to tell the House was that in April 2010 the Labour Government had already announced that they would cut the budget and the staff of the UK Border Agency.

Yvette Cooper: The Home Secretary has not answered an extremely important question. She has accused officials of going much further, of using routinely the reduced checks that she wanted in only limited circumstances. That is one of her main allegations—officials going further than her decision and her advice. The interim operational instruction that the Home Secretary says reflects Government policy and was her intention is described as "Trial of risk-based processes at the border," and states:

"We will... Cease routinely opening the chip within EEA passports."

The document goes on to talk about discretion, but the discretion is to go further, not to cease the process only in limited circumstances. Will the right hon. Lady now recognise that the document shows that her intention and her policy were substantially to expand the reduction of checks for EEA citizens across the country and to reduce controls at our border?

Mrs May: I answered that point on Monday, on Tuesday and this afternoon. The right hon. Lady knows full well what was in the pilot I authorised.

The right hon. Lady asked what information was given to Ministers when we decided to extend the pilot programme. As I told the Select Committee yesterday, Ministers were provided with four updates on the progress of the pilot prior to the agreement to extend it. The updates provided information about seizures of drugs and detection of illegal immigrants. They did not refer to unauthorised actions; in fact, they explicitly said that officials were sticking to the terms of the pilot and not going beyond them.

The right hon. Lady asked about child trafficking. I answered that question on Monday in the House and before the Home Affairs Committee yesterday. For the information of the House, in 2010, 8 million EEA-national children were checked against the warnings index. An alert came up for one child, and after further questioning the child was allowed in.

David Simpson (Upper Bann) (DUP): Could the Home Secretary confirm to the people of Northern Ireland that the relaxations extended to Northern Ireland, especially at the ports of Larne and Stranraer?

Mrs May: As Stranraer is not an international port, the pilot did not cover it.

Pete Wishart (Perth and North Perthshire) (SNP) *rose—*

Angela Smith (Penistone and Stocksbridge) (Lab) *rose—*

Mrs May: The right hon. Lady asked—

Hon. Members: Give way.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We do not need advice from the Back Benches, especially from the back row.

Mrs May: The right hon. Member for Normanton, Pontefract and Castleford asked how many people Ministers expected would not be checked, and whether an impact assessment would quantify that figure. The answer is that under the terms of the pilot I authorised, all adults would be checked against the warnings index, as would all non-EEA nationals of any age, which, incidentally, was not always the case under the Labour Government of whom she was a member.

Let me reiterate: whatever the shadow Immigration Minister keeps saying, the only incident of which I am aware when passengers were waved through passport control without any checks at all did not occur during my pilot. It happened in 2004, at Heathrow, under the right hon. Lady's Government.

Let me tell the House what this Government are doing to secure our border: a National Crime Agency with a border policing command and e-Borders to check passengers in and out of the country. We have tough enforcement: 400,000 visas were rejected last year and 68,000 people with the wrong documents were prevented from coming to Britain. We have policies to cut and control immigration: economic migration—capped; abuse of student visas—stopped; and automatic settlement—scrapped. There are compulsory English language tests, tough new rules for family visas and changes to the Human Rights Act. We have a clear plan to get net migration down to the tens of thousands.

What do we hear from the Opposition? Nothing. Nothing on the cap on economic migration. Nothing on the clampdown on student visas. Nothing on settlement. Nothing on sham marriages. No wonder, when the Leader of the Opposition's policy adviser said that Labour lied to the public about immigration— *[Interruption.]*

Mr Deputy Speaker: Order. Nobody will be able to hear anything either in the House or on the television broadcasts. I am sure everybody on both sides of the House wants to hear the Home Secretary.

Mrs May: The public want us to reduce and control immigration, and at long last they have a Government who will do just that.

Mr Deputy Speaker: I remind the House that there is a six-minute limit on Back-Bench speeches.

2.35 pm

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): It was Herbert Morrison who said that the walls of the Home Office were paved with dynamite. It is true, but the Home Secretary is busily placing those sticks of dynamite herself. One is marked "Cuts in police numbers". One is marked "Restricting the ability of the police to

[Alan Johnson]

use DNA to catch murderers and rapists". Another is marked "Enforced introduction of police commissioners that will cost a small fortune and that nobody wants". The only surprise is that the issue—

Robert Halfon: Will the right hon. Gentleman give way?

Alan Johnson: I will give way in a minute.

The only surprise is that the one marked "Immigration" has exploded quite so quickly in No. 2 Marsham street. Like many others, I predict that the Government's pledge to reduce immigration to the levels of the 1980s will not be met, because we live in a very different world from the 1980s. In government, I admitted that we were slow to come to terms—as were many other countries—with the huge increase in migration from places such as Iraq, Kosovo, Zimbabwe and Sri Lanka. We were using a 20th-century system to deal with a 21st-century problem, but after the Immigration and Asylum Act 1999, we progressively managed to get on top of the issue—bit by bit. With only a dribble of asylum seekers entering the country, it took 22 months even to get an asylum claim to the first stage under the preceding Conservative Government, but by the time we left office it was taking six months. The introduction of biometric visas and e-borders all made a contribution.

The Home Secretary might like to correct her remark on Monday that since the introduction of the points-based system, immigration has not gone down. It has. The difficulty for her is that immigration and net migration are two different things. The Government have no control over the number of people leaving the country, just as they have no control, incidentally, over mortality or the birth rate—thank goodness—unless it is in their plans for the Queen's Speech. In fact, net immigration has gone down; it fell from 237,000 in 2007 to 163,000 in 2008 and to 147,000 in 2009. It has only gone up again since this Government came into power.

The problem is complex, and e-borders are central to its solution. We could have all the checks in the world, but the majority of illegal immigrants in this country have entered the country legally and overstayed their visa. It is not until the e-borders system—the Government have supported it; I presume that they will keep to the same programme—checks people out as well as checking them in that we shall actually solve the problem.

For the Home Secretary, solving these problems was simple. The rhetoric, as usual, was at absolute variance with reality.

Mr Blunkett: Can my right hon. Friend confirm a point that the Home Secretary referred to earlier? It was agreed in May 2004 to allow people permitted to be in this country legally to work legally, but 40% of those who registered to work were already in the country. That is why proper legal processes for economic migration and tough border controls have to go hand in hand.

Alan Johnson: I do confirm that. The Home Secretary talked about Sangatte on Monday, and it was my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) who, in an incredible piece of political acumen, did a deal with Sarkozy effectively to move our border from Dover to northern France. That made a huge contribution as well. I find it incredible that the Home Secretary formulated and introduced plans to reduce the crucial biometric checks while the threat level was at its second highest; it was at severe at the time, and it was lowered to substantial only in July. In effect, she turned the UK into a semi-Schengen country by not requiring full checks on EEA citizens.

Brandon Lewis: The right hon. Gentleman mentioned dynamite. I wonder whether he thinks that one of those pieces of dynamite might be the almost half a million unsolved asylum cases that his Government left in a warehouse when the present Government came in?

Alan Johnson: If it is, it will go right back to when Willie Whitelaw was the Home Secretary—*[Interruption.]* "Ah!" they say. I can tell hon. Members why they say "Ah!". It is because they do not know—*[Interruption.]*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. People want to listen to interventions, and we certainly want to listen to the answers from Alan Johnson.

Charlie Elphicke *rose*—

Alan Johnson: Government Members are in happy ignorance of the fact that all this built up over many years under successive Conservative Home Secretaries, and it was the Labour Government who got on top of the issue in the end.

Charlie Elphicke *rose*—

Mr Deputy Speaker: Order. The hon. Member for Dover (Charlie Elphicke) should not stand up for such a long time. If he wishes to intervene, he must rise quickly and then sit down straight away.

Alan Johnson: The hon. Member for Dover (Charlie Elphicke) was not making much impression on me, anyway, Mr Deputy Speaker.

The Home Secretary claimed on Monday that those on the watch list will have been picked up because of e-Borders, but she knows as well as I do that not every country is meticulous at operating e-Borders. It is patchy around the European Union.

Several hon. Members *rose*—

Alan Johnson: I have given way twice; everyone knows that we give way twice in these debates.

Again, what the Home Secretary was saying was at variance with what she was doing. In June, the Home Secretary was pledging to stop tens of thousands of migrants seeking to enter Britain through Europe as part of the exodus resulting from the Arab spring. She was saying that just as she was about to reduce checks on those people entering from Europe. In November last year, she said:

> "I want to bear down on all the routes into Britain".

Ending the necessity to check the biometrics can be described as a lot of things, but "bearing down" is not one of them.

On Monday, the Home Secretary described the biometric chip as if it were just a photograph. It is, of course, much more than that. The provision of geometric dimensions means that the identity thief and even the terrorist who has plastic surgery to disguise himself or herself cannot get through. A lot of things can be done with surgery, but eyeballs cannot be moved further apart. The biometrics are crucial to our security.

Let us come to the Home Secretary's attempts to blame her officials for the mess that she is in. The treatment of Brodie Clark, whom I know, respect and admire, has been reprehensible. If it was right to suspend him from office because he had not informed the Home Secretary, why is it right for the Home Secretary still to be in place when she had not informed the Prime Minister, who bears ultimate responsibility for these issues? Brodie Clark may well have been suspended for operating the 2008-09 guidance, which says that when the police say that there is a public order issue, it has to be responded to. That was the reference.

The Beecroft proposals have not yet been introduced. The Government have not yet wiped away the unfair dismissal rules, which means that Brodie Clark will go to court, he will win his case and this Home Secretary will have nowhere to hide.

2.44 pm

Mr James Clappison (Hertsmere) (Con): It is a pleasure to follow the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson)—even on this occasion. He was a decent Home Secretary, but I am afraid that his argument today was indecent in its preposterousness, especially when he tried to claim that the large increase in migration that took place after 1997 was somehow the result of international considerations beyond anybody's control, and nothing to do with the policy decisions taken by the then Labour Government. I ask the right hon. Gentleman just once in this debate to look at the facts—

Angela Smith: Will the hon. Gentleman give way?

Mr Clappison: If the hon. Lady will listen to the facts first, I will give way to her afterwards. If the right hon. Gentleman looks at the facts of net migration and migration as a whole before 1997, he will see that in the month after his Government took office in 1997, net migration stood at 52,000. It had been 70,000 the previous year. In the years that followed, it went up to 74,000, 157,000, 161,000 and 187,000—almost entirely due to the decision of that Labour Government to grant more work permits for workers from outside the European Union, which was a conscious policy decision.

Angela Smith *rose—*

Robert Halfon *rose—*

Mr Clappison: I give way to my hon. Friend the Member for Harlow (Robert Halfon).

Robert Halfon: I note that my hon. Friend speaks with great expertise on these matters. Does not what he has just said explain why the chief adviser to the Labour party leader, Lord Glasman, said that the Labour party lied to the people about immigration?

Mr Clappison: The facts are facts: we can see what the deliberate policy decisions were, and the motives behind them may come to light in due course.

As for what took place after that period when net migration exploded up to 233,000, we have to look at what happened when the accession countries joined the European Union in 2005 when the then Labour Government estimated the number of workers who had come from within the European Union at about 13,000 a year. We know that that was completely wrong. While we saw the huge increase in the number of workers coming to this country from within the EU, the Labour Government—and this is particularly reprehensible—continued giving just as many work permits to workers from outside the EU.

Angela Smith *rose—*

Mr Clappison: If the hon. Lady wants to say that any of those facts are wrong, I will give way to her.

Angela Smith: There was an increase in migration in the late '90s, due partly to a major conflict in the Balkans, which was made necessary because of the appeasement delivered to Slobodan Milosevic by the previous Tory Government. They bear responsibility for that migration as well.

Mr Clappison: I am sorry to tell the hon. Lady this, but at the time of the Balkans conflict, net migration was negative. The policy decisions to increase the number of work permits to workers from outside the European Union are crucial; there is a close correlation. Those are the facts.

Matthew Hancock: I am listening carefully to my hon. Friend's speech. Does he agree that nobody will believe a single word from Labour Members until they apologise for the mess they made?

Mr Clappison: Yes.

Coming back to this motion, the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) has thrown everything but the kitchen sink into this debate. I am afraid that she and her party have failed to produce a single fact or any evidence in support of the motion. They have not even bothered to wait for the evidence of the Home Affairs Committee or for any of the three inquiries that the Home Secretary has rightly put in place, including the one by John Vine, who is the chief inspector and an appointee of the previous Government.

In trying to throw the kitchen sink into the motion, the right hon. Lady even mentioned the 100,000 legacy figure. She asked who was responsible for how the 100,000 people under the legacy exercise have been dealt with. She need not have looked much further than the person sitting next to her—the right hon. Member for Birmingham, Hodge Hill (Mr Byrne)—because the former Immigration Minister was partly responsible for the legacy exercise. The question she really needs to ask is how she thinks the 500,000 cases arose before 2006, which had to be dealt with in the legacy exercise. Asylum cases had not been properly dealt with. Some of the people involved had waited for many years and some had been refused permission to remain in the country. Now, however, the right hon. Lady is trying to blame the Government for that. She made some comment about 2006 being a starting point, but who had been in power before 2006? She need look no further this time than the right hon. Member for Blackburn (Mr Straw),

[Mr Clappison]

who has been in his place for this debate. He was the Home Secretary who put the Immigration and Asylum Act 1999 in place. Against that background, how did we reach a position whereby 500,000 people's cases were lingering, mouldering, waiting to be dealt with and had to be the subject of a legacy exercise in 2006?

Mr Straw *rose—*

Mr Clappison: Perhaps the right hon. Gentleman will speak in this debate, so I will get a chance to intervene on him. He can explain how each of two previous asylum exercises came to admit more and more people irregularly.

Mr Straw *rose—*

Mr Clappison: I will give way to the right hon. Gentleman if he will tell me what a success that was.

Mr Straw: As was pointed out by my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson), the problems involving asylum backlogs date back until at least the early 1990s, when the Berlin wall came down. I do not think that we are assisted by the trading of histories—what matters is today—but if the hon. Gentleman wants to do that, let me add that a computer system introduced by Lord Howard, which we were promised would become operational in November 1998, failed to operate at all. That was the mother and father of the backlog then, and it still is.

Mr Clappison: I hope that the right hon. Gentleman will allow me an equally long intervention when he makes his own speech.

I happened to be a member of a Committee that the right hon. Gentleman addressed, as Home Secretary, in 1999. I will stand corrected if I am wrong, but I recall that he said, "There is no greater challenge to the Labour Government than to put in place an asylum system which works." We can see what happened after that.

The right hon. Member for Normanton, Pontefract and Castleford overlooked another problem that occurred in 2006: the terrible problem of prisoners who were not deported. A thousand prisoners were not even considered for deportation. It was not just a question of people being allowed into the country; people were allowed into the country, committed offences, and then were not considered for deportation. I congratulate my right hon. Friend the Home Secretary on having established a system which now ensures that criminals who commit offences are considered for deportation; and, as will be acknowledged by the Chairman of the Home Affairs Committee, the right hon. Member for Leicester East (Keith Vaz), his Committee's report congratulated her on that as well.

I shall wait for the evidence and the facts to be produced. What I am clear about, however, is that the present Government have a policy intention of reducing migration to proper levels, of establishing a proper system enabling the right migrants to be chosen to come to this country, and of not allowing the unrestricted immigration that we have seen in the past. Furthermore, they are tackling the long-standing problems of asylum, and are introducing systems to bring about the deportation of foreign prisoners that is so important to my constituents.

I believe that the right hon. Member for Normanton, Pontefract and Castleford is a person of high intellect and high ability who puts the case as well as she can, and she did that today. I am afraid, however, that she completely failed to establish any facts or evidence in support of the motion. What she did demonstrate beyond peradventure was that, however great her intellect—and it is great—she has an even greater brass neck, in view of the record of the last Labour Government.

2.52 pm

Mr Jack Straw (Blackburn) (Lab): The hon. Member for Hertsmere (Mr Clappison) has just told the House that he is ready to wait for the evidence and the results of the inquiry before reaching conclusions, and I think he is right to do so. It is a great shame that the Secretary of State jumped to conclusions impetuously, without any proper evidence and without allowing others to respond.

At the heart of this debate are the issues of the conduct of the Home Secretary and the level of ministerial responsibility, in terms of both competence in running a Department and moral responsibility for what happens in that Department.

Mr George Howarth (Knowsley) (Lab): There is a long-established principle that Ministers take responsibility for what goes on in their Departments, and to be fair, the Home Secretary confirmed that principle earlier in the week. Would my right hon. Friend care to speculate on what she means by taking responsibility for her Department?

Mr Straw: As I shall explain, the issue is not whether a Minister mouths the words, but whether, in practice, that Minister acts in a way that demonstrates his or her responsibility for what happens in his or her Department.

The truth about the Home Office—which is the subject of all kinds of dark jokes, particularly when new Home Secretaries enter it—is that things are more likely to go wrong there than in any other Department. That is not because its staff are of less high quality than other staff; far from it. Overwhelmingly, the staff in all parts of the Home Office who served me during the four years for which I was Home Secretary showed the highest possible skill, dedication and commitment. They possessed the added attribute that they were dealing with people—such as prisoners, criminals and illegal immigrants—with whom most of us would not wish to deal day by day or week by week.

The fact that the Home Office is so often in the limelight for the wrong reasons, because there is a "fiasco" or "crisis", is due to the nature of its business. Other Departments generally work with the grain of the people with whom they deal. There are two obvious examples. In schools, parents and pupils want, roughly speaking, what teachers and the Secretary of State want, which is better education. When it comes to health, patients and their relatives want the same as nurses, doctors and the Secretary of State, which is improved health care. The same does not apply in the Home Office, which is at the sharp end of the operation of the state. However much we may dress it up, the business of the Home Office is actually about enforcing the state's monopoly over the use of force, and its monopoly over the deprivation of other people's liberties. It is a hard, tough job, both for the person at the top and for those all the way down.

The other aspect that lies behind one of the core arguments in the debate is that, because the Home Office's business is about the use of force, the deprivation of liberty and the refusal of rights, junior, young and quite inexperienced staff must often be accorded a very high level of discretion—discretion to arrest people, to allow them in, to lock them up, and so on—which is not accorded to equivalent people elsewhere. The whole system will seize up unless those lower down believe that those at the top are worthy of their confidence, and are ready to take responsibility when things go wrong.

I am not dewy-eyed about what can go wrong in a very large Department—of course not—and no Secretary of State is responsible for locking every cell door or checking every border. I recall occasions when, after a full and careful inquiry, one or two people had to be invited to pursue their careers elsewhere. That is inevitable. However, I believe that it must be done in a way that is judicious and judicial. Secretaries of State must ensure that they take the overwhelming majority of their staff with them. What they should not do—I am sorry that the Home Secretary has embarked on this—is adopt what appears to me, whatever the right hon. Lady's personal motives, to be both a vindictive and a punitive approach of hanging someone out to dry because it seemed to her that that would be a way of saving her career.

Mr Stewart Jackson (Peterborough) (Con): I think that the House would take the right hon. Gentleman slightly more seriously were it not for the case of, say, Mr Steve Moxon, who in 2004 revealed the evident failings of the previous Administration on immigration, particularly in relation to one-legged Romanian and Bulgarian roofers. For his pains he was hounded out of office, as indeed was the then Member of Parliament for Stretford and Urmston, the right hon. Beverley Hughes.

Mr Straw: I hope that the hon. Gentleman was not suggesting for a second that any illegal immigrant painted my house. If that is what he was suggesting, he should withdraw the suggestion immediately.

Mr Jackson: I am happy to clarify what I said. There is evidently a double standard in what the right hon. Gentleman says. He talks of keeping the respect and trust of people who work in the Home Office or the Ministry of Justice, but those who have revealed the failings of the last Administration on immigration have been hounded out of their jobs.

Mr Straw *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I am a little concerned about the length of that intervention. I am also concerned about what the hon. Member for Peterborough (Mr Jackson) was trying to allude to when he mentioned double standards.

Mr Straw: I am afraid that I find the hon. Gentleman's point, at best, completely incomprehensible.

Mr Blunkett: Will my right hon. Friend give way?

Mr Straw: Let me return, if I may, to the issue of the Home Secretary's responsibility. As I was saying, it is the nature of the business, not the nature of the staff, that makes Home Secretaries so vulnerable to things going wrong. I find myself comparing the behaviour of the present Home Secretary with that of Sir Paddy Mayhew, now Lord Mayhew, when he was Northern Ireland Secretary. Some of us were in the House at the time.

On 2 January 1995, the Northern Ireland equivalent of the House of Commons suffered a serious fire and was almost burnt to the ground. Sir Patrick Mayhew, as he then was, set up an inquiry. He gave the results to the House on 19 April, and I remember sitting there admiring the way in which a Secretary of State had taken responsibility for a disaster on the chin. He described what had happened. He pointed out that there had been no fire drills for five years, and that the fire hydrants had suffered from a particular defect: an "absence of water". He said that new instructions had been issued and disciplinary action had been taken against the staff, but that was after a full inquiry—not before those staff had had a chance to explain themselves—and the staff were not named. It could have been a catastrophe for that Secretary of State because he was, indeed, responsible, but because he set the tone for the inquiry and followed proper procedures, he left the Chamber with his reputation enhanced, not diminished.

Among all who have held the post of Home Secretary there is, regardless of party divide, some camaraderie and understanding about the predicaments one can face. My concern about the current Home Secretary is that she will end this episode with her reputation diminished. I had dealings with Mr Brodie Clark, and I found him to be a very good official. It may be the case that he has done all the things said of him, but, like anyone in such circumstances, he deserves a proper inquiry—he deserves a proper hearing. Hanging him and the other officials out to dry without their having any opportunity to respond or there being any proper process, thereby condemning him before there has been a trial, not only damages his rights, but greatly demeans the reputation of the current holder of the great office of state of Home Secretary.

3.1 pm

Tom Brake (Carshalton and Wallington) (LD): I had expected Opposition Members to take a humility pill before today's debate, but they have clearly left their prescriptions at home. Labour has admitted that it presided over a Government Department that was not fit for purpose. Members on both sides of the House will be personally aware of the backlog of 450,000 asylum cases from the impact that has had on many of our constituents over many years. When the spokesman for the official Opposition opened the debate, she admitted that border checks were not strong enough in 2006—although I cannot recall her admitting that at the time. I am sure she can also confirm that in 2004, when there were no controls at all at Heathrow, border checks were also certainly not strong enough. I wonder whether she has attempted to calculate how many people passed through the Heathrow borders in 2004.

Mr Straw: On the issue of humility, would the right hon. Gentleman like to confirm that the Liberal Democrat party opposed each and every measure introduced by

[Mr Straw]

the previous Government starting from, and including, the Immigration and Asylum Act 1999, which was designed to strengthen border controls, and which did precisely that?

Tom Brake: If we look at—*[Interruption.]* If we look at the catalogue of disasters under the last Labour Government—*[Interruption.]* The catalogue—*[Interruption.]*

Madam Deputy Speaker (Dawn Primarolo): Order. Members must stop shouting at each other across the Chamber. Points can be made in debate, but they must not be made by Members screaming at each other while another Member is trying to make a speech.

Tom Brake: Thank you, Madam Deputy Speaker. I was saying that if we look back on the catalogue of disasters under the last Labour Government, we can see why we did not support the right hon. Gentleman's proposals.

I welcome the pilot and the emphasis on intelligence-led checks on very high-risk passengers and journeys. That has clearly had a very positive impact, as is shown by the preliminary results, such as the 10% increase in respect of illegal immigrants and, as we heard from the Prime Minister, the 100% increase in firearms seizures. I also welcome the reviews that have been launched into what has happened over the past few days and the review of the pilot. I particularly welcome the fact that on Monday the Home Secretary confirmed that she would be happy for John Vine to look at every aspect of this episode, including the ministerial decisions that were taken. However, I would just gently point out that that is not included in his terms of reference, but the fact that the Home Secretary put it on the record earlier this week confirms that he has that remit.

If we are serious—as I think Members on both sides of the House are—about improving security at our borders, one aspect that we could usefully address is the progress being made in respect of the border police command in the National Crime Agency. In the long term, that will clearly have a very positive impact on the security of our borders. An update on the progress being made in establishing that body would have been useful, and perhaps the Minister will give us that information in his winding-up speech. We would like to know, for instance, what progress is being made in drawing up the comprehensive cross-agency assessment of the threat posed to border security by organised crime; that is a key aspect of the border policing command responsibilities. I would also like the Minister to say whether the reviews that have been launched will have any impact on the business plan that is being drawn up, particularly as it relates to developing the smart zone concept for processing pre-checked low-risk passengers through border controls. Might these reviews have an impact beyond the topics under immediate scrutiny, which concern all hon. Members?

I know that many other Members want to speak, so I shall conclude by saying that what the events of the last three or four days have underlined is that in 13 years the previous Government did not reform a Department that was deemed to be not fit for purpose, and that the coalition Government have not completed the reform yet either, but we are committed to doing that and we will achieve it in this Parliament.

3.6 pm

Sir Gerald Kaufman (Manchester, Gorton) (Lab): It is interesting to follow the right hon. Member for Carshalton and Wallington (Tom Brake), because it was he who treated the House to his knowledge that the Liberal Democrats were going to win the Oldham by-election. That shows the quality of his judgment, and the hypocrisy of the Liberal Democrat party on immigration control fills us with disgust. My anti-Semitic Liberal Democrat opponent at the general election tried to turn body scans of women at airports into an election issue, in the hope of winning votes from Muslims. I can put up with the Conservatives because they are what they are, but the sheer hypocrisy of the Liberal Democrat party on issue after issue turns my stomach.

This debate is about the fact that there are now in this country a very large number of people whose numbers we do not know and whose whereabouts we do not know, and who may include terrorists, and this Government's policy and this Home Secretary's decisions have made that possible. Let us be clear, too, that this disaster could have been foreseen because from the moment when the Home Secretary came to office, she has refused to be involved in any way in the administration of immigration cases. There are a very large number of immigration cases in my constituency, yet she, unlike Douglas Hurd, a reputable person, and unlike Willie Whitelaw, also a reputable person, has refused to touch those cases. My constituency immigration cases and those of other Members have instead been siphoned down to the hapless Minister for Immigration, who sits in his office signing letters that have been put in front of him by the UK Border Agency, whose activities the Government now decry. This Government have made a mess of immigration policy because of the arrogance and indolence of the current Home Secretary.

Stephen Pound (Ealing North) (Lab): The Minister for Immigration does not need me to fight his corner for him, but may I tell my right hon. Friend that I have had seven individual meetings on seven individual immigration cases with the Minister?

Sir Gerald Kaufman: I am not knocking the Minister for Immigration—poor chap, he does what he is left to do—but the fact is that this arrogant and indolent Home Secretary will not touch immigration and because of that she does not know what goes on at the ports, she does not know what goes on in the immigration departments, and she does not know what goes on in Islamabad, Dubai or Abu Dhabi. That is because she does not care; she thinks she is too important to deal with the nuts and bolts of administration. My right hon. Friends the Members for Kingston upon Hull West and Hessle (Alan Johnson) and for Blackburn (Mr Straw), both former Home Secretaries who have spoken in this debate, did do that. They were ready to listen and to look at the nuts and bolts. That is what is wrong with her. I say again that it is her arrogance and her indolence that have made this possible.

Margot James: Will the right hon. Gentleman give way?

Sir Gerald Kaufman: No, I will not give way to the hon. Lady. She can sit down and she can read out what the Whips have given her on some other occasion.

Other Conservative Ministers—

Stephen Phillips (Sleaford and North Hykeham) (Con): On a point of order, Madam Deputy Speaker. I will not trouble the House with the right hon. Gentleman's remarks to my hon. Friend the Member for Stourbridge (Margot James), but he has now three times described the Secretary of State as "arrogant and indolent", which, if not unparliamentary, is offensive. Being a new Member, I would ask whether he needs to withdraw those comments.

Madam Deputy Speaker (Dawn Primarolo): I can say to the hon. and learned Gentleman that the remarks made by the right hon. Gentleman are not unparliamentary, in the sense that they are not impugning the personal honesty of a Member of this House. But comments are being made by Members on both sides and we would all want to reflect on whether they show this House at its best. They are sailing pretty close to the wind of good parliamentary conduct, and I take this opportunity, therefore, to say that there is no requirement for anything that has been said thus far to be withdrawn, but perhaps everybody could bear that in mind.

Sir Gerald Kaufman: The hon. and learned Gentleman may, in the short time that remains to him as a Member of this House before the next general election, learn what is parliamentary language and what is not.

The fact is that, unlike Lord Carrington, who resigned over the Falklands even though he was not to blame, and unlike other Tory Ministers who were honourable and who resigned, this Home Secretary is trying to save her own skin by destroying the career of a decent public servant, who is not being given the chance to answer for himself, although he will get that before the Home Affairs Committee in a few days' time. This Home Secretary is not fit for purpose. She may not resign now, but her days are numbered.

3.13 pm

Nicola Blackwood (Oxford West and Abingdon) (Con): It is with regret that I follow the poisonous personal attack that I have just had to listen to. I have to say that I did not come into the House to hear debate at that level.

I am not going to speak for long, because the main issues surrounding this debate have been well rehearsed already, but I would like to cover just a few. The Home Secretary has clearly stated that the approved pilot for an intelligence-led approach to border checks did not put national security at risk and was approved by the security services. It seems to me that pursuing an intelligence-based policy to improve both the efficiency and effectiveness of border checks is a perfectly sensible starting point. Indeed, the recent Select Committee report on the UK Border Agency called for it to improve its use of intelligence, following the report of the independent chief inspector of the UKBA, John Vine—a Labour appointment—which found that the agency's approach to the use and management of intelligence had been poor.

Dr Julian Huppert (Cambridge) (LD): I agree with the hon. Lady about the importance of an intelligence-led approach. Does she agree that it would be a great shame if the furore around this incident meant that the UKBA did not go ahead with intelligence-based approaches, because they would make our border more secure by applying resources more efficiently?

Nicola Blackwood: I think it is important that we continue to approach intelligence-based processes rationally.

I am not opposed to the principle of giving border officials greater discretion in assessing risk. These border officials are professionals who, for the most part, work in very difficult circumstances, and even the best policy framework cannot allow for every situation and cannot replicate the experience of a border official who has their eyes and ears fixed beadily on the individual in front of them. However, that discretion must be exercised within an evidence-based policy framework that has been set out by Ministers and properly scrutinised by Parliament. As I understand it, that was the intention of the pilot but, as we have been hearing, it was not what John Vine found was actually happening on the ground.

We hear from whistleblowers in the UKBA that border checks were being relaxed at the request of BAA staff when queues were long. We hear from Brodie Clark that controls have been relaxed since 2008, not in favour of queue management but for a reason which he does not state. I look forward to hearing his evidence to the Select Committee. Rob Whiteman insists that Clark confessed that he had been relaxing the controls on a regular basis without ministerial approval. Most worrying from my perspective is that we find that since at least 2007—under the previous Government—agency operational instructions have contained a paragraph that apparently gives border force duty directors the authority to relax checks for health and safety reasons. That might be completely justifiable in certain extreme circumstances, but I do not think it is possible to get a proper picture of what has been going on with border checks without knowing how often these controls were relaxed on the grounds of health and safety, what criteria and processes were used to trigger such a relaxation, what the reporting mechanisms are and whether they have been properly followed. In particular, this raises the question of whether this power has been misused.

Although I am only too aware of the potential implications of the agency's failure to implement border checks properly, the statistics on how many people have passed through the borders during this time are truly sobering. A measure of comfort can be taken from the fact that the chief executive did take immediate action when this came to light, which has triggered full-scale parliamentary scrutiny and three independent investigations, and I hope that they will take into account ministerial decisions and, in particular, the recent claims that border checks have been relaxed to level 2 without ministerial approval or oversight since 2008. I think it highly unlikely that that would have been the agency's response previously; I suspect we would have come up against something closer to an attitude of, "Least said, soonest mended."

However, when I said a "measure of comfort", I meant a small one. The truth is that even in the relatively short time that I have been a member of the Home Affairs Committee it has become abundantly clear that

[Nicola Blackwood]

the UK Border Agency is an organisation with deep-seated problems that date back well into the previous Government's time in office, and an organisation that seems to have encouraged a culture of deniability. Again and again, the Committee has found that the UKBA has failed to record and account for its responsibilities. For example, when we asked for reasons for the 1,300 outstanding cases of difficulties with deporting foreign national prisoners, the agency could not account for 350 of those—it simply had not recorded the data. The agency was not able to tell the Committee how many individuals had been removed as a result of action taken by intelligence units in 2011, because the data for allegations and removals are kept on two different databases.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): The hon. Lady is quite accurate in what she is saying about the concerns of the Home Affairs Committee, across parties. However, would she not have expected Home Office Ministers, understanding the deep-seated concerns of Members of this House, to be absolutely on top of all the detail and to ensure that they knew everything that was going on in the Department?

Nicola Blackwood: I would have hoped that they were trying to get on top of it, just as I would have hoped that Ministers in the last Government were trying to do.

I realise that the picture is not all doom and gloom—the agency has made progress on legacy cases, as we have already heard today. There was a backlog of more than 450,000 asylum cases under the last Government, which has been reduced to 18,000, and there was a significant reduction in foreign national prisoners released without being considered for deportation, from more than 1,000 to just 28. However, those examples show just what a low base the agency was coming from, and how far it still has to go if there is any hope of its being properly capable of protecting our borders and assuring our national security.

What worries me most about this incident as much as the facts, which are worrying in themselves, is that they are indicative of a wider cultural problem within the agency, endorsed by at least some senior officials: that short-cuts and papering over the cracks are a justifiable way of dealing with the work load, and that transparency is a concept more honoured in the breach than in the observance.

The Select Committee will play a part in trying to get to the bottom of contradictory claims coming out of the UKBA. The three investigations will do their bit, but they will only get to the bottom of what happened when. Although we must pursue those issues vigorously, I do not believe that we will stop seeing scandals in the agency until we have genuine reform of both the systems and the culture of an organisation that we need to be able to trust with protecting our borders.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. I still have 11 speakers who want to take part in this debate. Therefore, I am reducing the time limit, from the next speaker, to five minutes. Hopefully, we will get everybody in.

3.21 pm

Paul Goggins (Wythenshawe and Sale East) (Lab): I regret the fact that the Home Secretary is no longer with us—

Stephen Pound: No longer in her place.

Paul Goggins: No longer in her place. She will know from the exchanges that she and I have had both inside and outside the Chamber in the 18 months that she has held office that my starting point, as a former Home Office Minister and Northern Ireland security Minister, has been to trust the Home Secretary, as, indeed, I trusted all her predecessors. We heard on Monday from my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), who described the job as the "ministerial graveyard". We heard my right hon. Friend the Member for Blackburn (Mr Straw) talk earlier this afternoon about the serious responsibilities that the job has for public safety and our borders. It is my strong belief that we should not seek to second-guess difficult decisions that Home Secretaries have to take, often with advice, of course, that the rest of us do not have.

Having said that, in the interests of protecting her own reputation and, crucially, that of her office, the Home Secretary needs urgently to clarify a number of issues. I have three specific questions. She and the Minister will remember from my question on her statement on Monday that Manchester airport is in my constituency. Indeed, when I asked her whether the pilot included that airport, she gave me three answers for the price of one: "No", "Yes" and "Maybe". Well, I need to know whether the pilot did in fact operate at Manchester airport, and if so how frequently checks were relaxed and how many people passed through the airport without biometric checks. I appreciate that the Minister replying today will have many other things to respond to, so a letter on those issues and questions would be very welcome.

My second question, which has not been discussed as extensively as it needs to be, is where did the pressure for this pilot come from? I find it difficult to believe that all the pressure came from within the UK Border Agency. After all, procedures were in place for health and safety and public order emergencies, and Brodie Clark himself has confirmed that, even this summer, when the pilot was operating and there were three-hour queues at Heathrow airport, checks were still not relaxed.

However, delays at airports damage the reputation of airports themselves and of airlines. I would therefore like the Minister to tell us whether any pressure has been applied, either on the Home Secretary or the Transport Secretary, by BAA or other airport operators—or indeed by any airline companies—to speed up passport control. Has there been any correspondence with the Home Secretary and the Transport Secretary on that, or any meetings or discussions with Ministers? If there has, we should have copies of those letters and minutes.

My third question goes to the very heart of how Ministers operate within this Government. How hands-on were the Home Secretary and her Ministers in establishing, monitoring and evaluating this pilot?

The right hon. Lady must have been aware of the political risk she was taking in establishing the pilot. She must have been aware that the public would take some convincing that a more effective and targeted approach would include the relaxation of biometric checks. If she wants now to convince us that she is on top of the situation and has been throughout, she needs to publish all the submissions and all the other documents that relate to the pilot, including the information that was gathered during the pilot.

Jane Ellison (Battersea) (Con): The right hon. Gentleman spoke about the public reaction, but would he not admit that one of the things that we most commonly hear from members of the public is about using intelligence-led checks at our borders? Everyone I speak to—lots of constituents—constantly asks why we do not use a more intelligence-led approach, rather than frisking schoolchildren and so on. The right hon. Gentleman is wrong. The public would have every sympathy with an intelligence-led approach.

Paul Goggins: Of course the public want an intelligence-led approach, but the idea that that includes disregarding the biometric content of any passport is preposterous. I hope the hon. Lady accepts that.

To return to my point, surely Ministers were receiving weekly updates on the pilot. Surely they were convening regular stocktakes in relation to what is, after all, a highly controversial pilot. I would be particularly interested to hear from the Minister how many times decisions to implement measures beyond the routine procedures that were allowed within the pilot were escalated to the border force duty director, in line with the instructions to which we heard reference earlier.

There was some speculation on the radio this morning that in the end both Mr Clark and the Home Secretary will be proved right. I believe that that would be the worst of all outcomes. It would show a complete disconnection between policy and operations, with claims that officials were over-interpreting what Ministers had approved, and Ministers so hands-off that they simply blame officials when things go wrong. I find it astonishing that the first the Home Secretary knew about the issue was when she was informed by the permanent secretary that disciplinary action had been instigated against Brodie Clark. If she had taken even a basic interest in the pilot, she would have known well before that that something had gone wrong. For the sake of her reputation, but more particularly for the reputation of her office, she should be as open as possible and publish all the documents that she has.

3.27 pm

Margot James (Stourbridge) (Con): I support the pilot scheme that was introduced in just a limited area across the European Community. I have read about the Home Secretary's approach to this. It was first put to her back in April this year. She approached her decision with characteristic caution. She requested more information, particularly from security advisers, and she was given the all-clear by those security advisers that in the pilot, under strictly limited conditions—limited in scope and in geographical area—the UK Border Agency could relax some of the restrictions that hon. Members have already mentioned.

Mr Gerry Sutcliffe (Bradford South) (Lab): But if the hon. Lady is right and the Home Secretary had those concerns at the start of the pilot, the very least I would have expected the right hon. Lady to do was to say to her Immigration Minister, "Watch this, because this could cause serious problems." Is the hon. Lady not surprised that the Home Secretary never did that?

Margot James: I thank the hon. Gentleman for his intervention. I believe the Home Secretary did just as he suggests. It is my understanding, and I am sure that in the winding-up speech we will hear for sure, that the Home Secretary asked the Immigration Minister to keep a close eye on the operation. We should not forget that although it was put to the Home Secretary back in April, the operation did not even start till July this year. We are only in the second week of November, and it has already come to light that things have gone wrong. The media and the Opposition are a little too hasty in coming to such a swift judgment on a pilot that has barely been completed and that the Home Secretary has suspended.

The Home Secretary then decided to allow a limited pilot to be run. It is clear from the limited information we have so far that on several occasions the head of the UK border force authorised staff to go beyond the pilot approved by Ministers. The pilot had been running for only the best part of three months, during which time excesses were agreed by managers on the ground. It might have come to light before now, but as soon as it did come to light the Home Secretary took the right decision by suspending the pilot. The decision to suspend the head of the UK border force was taken by the chief executive of the UKBA, not the Home Secretary. I fail to see why there has been such criticism of her for a decision that was taken in a proper manner by someone else.

Yasmin Qureshi: The hon. Lady says the Home Secretary did not ask for Mr Clark's resignation, but in her statement the right hon. Lady basically blamed him for everything that went wrong. By doing so, she has prejudiced any inquiry that could be carried out. Surely it would have been better, as my right hon. Friend the Member for Blackburn (Mr Straw) suggested, to keep to the tradition of Sir Patrick Mayhew and carry out an inquiry to find out what went wrong before blaming an individual with 44 years of service at the highest level. That is why the Home Secretary is wrong.

Margot James: No one fired the individual concerned. There was a resignation following a suspension, and my understanding is that the suspension was not ordered by the Home Secretary. It was immediately instituted because the individual admitted to varying the terms of the pilot.

Jake Berry (Rossendale and Darwen) (Con): My hon. Friend has long experience in business, which she could perhaps use to compare the suspension of Mr Clark by the UKBA with the sacking, live on television, of Sharon Shoesmith by the current shadow Chancellor.

Margot James: My hon. Friend makes an insightful observation, and one that I trust Opposition Members will learn from.

Yasmin Qureshi *rose—*

Margot James: I will not give way again, as many other Members wish to speak.

I will conclude my remarks by expressing my astonishment, which I am sure many of my constituents share, that Labour Members have sought in such an opportunistic fashion to capitalise on this media storm. Have they no shame? They have proposed this motion in the aftermath of more than 10 years of open and porous borders and what was effectively an amnesty for illegal immigrants. This Government inherited a 450,000 backlog of asylum cases. The Labour party seemed to have a deliberate policy when in power to increase dramatically the number of eastern European workers coming into the country by making Britain one of only two EU member states that did not introduce transitional controls. It was an outrage when seven years ago the then Home Secretary said on television that he expected 70,000 to come from eastern Europe without introducing those transitional controls. There have been allegations that the Labour party deliberately encouraged the policy of mass immigration so as fundamentally to change British society and boost the economy in a completely unsustainable way.

Andrew Bridgen (North West Leicestershire) (Con): Will my hon. Friend give way?

Margot James: I will not give way, as my time is running out. I apologise to my hon. Friend.

No one voted for the fundamental change brought about in our country over the past 10 years. The Labour party should be doing time for the fraud it served on the British public, rather than seizing the first media storm to challenge the new Government's commitment to the truly Herculean task of addressing the dire straits into which our immigration system fell when Labour was in power.

3.34 pm

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): It really is quite breathtaking to hear Conservative Members ignore the history of the shambles that was left behind by the previous Conservative Government in 1997. We all know that this is an extremely difficult issue, and it must be taken seriously. I am sorry to say that what we have heard from Conservative Back-Benchers today is a series of partisan remarks that are remarkable in the extent of the loyalty shown to Front-Benchers, who are clearly in enormous difficulty. Loyalty is admirable, but it is not very instructive and it does not contribute to getting to the bottom of an extremely difficult issue.

Mr Sutcliffe: Is that loyalty not also breathtaking in that it is coming from the coalition partners as well, given their record on immigration and what they did to previous Governments?

Alun Michael: Absolutely right. I am very disappointed that the Home Secretary is not still in the Chamber, because this debate is about her behaviour and performance. She was remarkably reluctant to take interventions from Labour Members during her speech. Normally on such a big issue—a big occasion in Parliament—the Minister concerned takes a lot of interventions. It was disappointing that she did not do so, and perhaps demonstrates her nervousness about the situation she is getting into, although she still does not seem to understand how serious her position has become.

I want to help the Home Secretary by giving her an opportunity to correct the record. On Monday, I put a question to her in these terms:

> "we know who she is blaming in advance of her inquiries, but those who know the people at the top-end of the border force, and who know how that body works, say it is unthinkable that they would have taken these actions without the knowledge and approval of Ministers. That is right, isn't it?"

She replied:

> "my understanding is that the head of the UK Border Agency admitted he had taken action outside ministerial approval."—[*Official Report*, 7 November 2011; Vol. 535, c. 52.]

Well, I think she meant the border force, but that is what she said. We now know that statement to be untrue. The head of the border force has made it clear that he does not accept her description of what has happened, so it would be nice if the Home Secretary could correct the record on that matter.

A further issue is the pilot. The idea that it was suspended one day early by the Home Secretary is not exactly a dramatic gesture in the direction of public concern. Apparently, the relaxation of controls was allowed everywhere under the pilot scheme—Scotland, Manchester, Northern Ireland and right across the country. That is some pilot scheme. Such an approach does not seem to indicate a calculated attempt to see exactly what is happening and evaluate it properly.

Stephen Pound: My right hon. Friend has just told the House that the pilot was extended to Northern Ireland. The Home Secretary did not know that—does he?

Alun Michael: I understand that it extended to Northern Ireland, but I also understand my hon. Friend's point because, at the beginning of the week, the Home Secretary did not seem to know whether the pilot had been extended to anywhere other than Heathrow.

Another point is that there is one cast-iron rule at the Home Office: the need to understand that the devil is in the detail. In fact, I became quite bored by my right hon. Friend the Member for Blackburn (Mr Straw) reminding us of that on a daily basis. That was because he paid attention to the detail and expected his Ministers to do so as well. We cannot expect a Minister to know everything that officials do in their Department and its agencies, but we have the right to ask whether Ministers have asked the right questions and insisted on getting to the bottom of any important issues. During the questions and responses we have heard in the Chamber and in the Home Affairs Committee throughout this week and today, that has not been demonstrated by the Home Secretary.

Mr Dave Watts (St Helens North) (Lab): Does my right hon. Friend agree that any pilot scheme worth its salt must do one thing first of all: ensure that it does not put our borders at risk? Does it seem strange to him that the Government are defending what has happened on the basis that it was a pilot scheme, and that that seems to excuse people being able to get through the border system without controls?

Alun Michael: My hon. Friend is absolutely right. If the Home Secretary had asked the questions she should have asked as a Minister, she should have been able to answer the key questions put to her on Monday and yesterday, but she was unable to do so.

Normally, advice to Ministers would not come into the public domain, but by suspending a senior official who has a reputation as being highly committed and effective, the Home Secretary has put herself in the firing line and made it essential for all communications to be given to Parliament. My right hon. Friend the shadow Home Secretary asked her for that, but we did not get a positive response. It is time for the Minister for Immigration to tell us whether the Home Secretary is going to let us have the full information, without which Parliament will not be able to make a proper judgment on what went wrong. At the moment, we cannot make a judgment about whether the Home Secretary has told us the truth or whether, as Mr Clark claims, she has lied to MPs. We have to come to a judgment based on evidence, so it is incumbent on the Home Secretary to give us the evidence, the whole evidence and nothing but the evidence.

The Home Secretary knew of the Home Affairs Committee's concerns about UKBA to which the hon. Member for Oxford West and Abingdon (Nicola Blackwood) referred. In the report that we published on Friday, we said:

> "Immigration is an issue which affects the safety, the social cohesion and the economy of Britain as well as its standing on the world stage. For that reason we will continue to hold sessions with the UK Border Agency every four months or possibly even more frequently."

That was the level of concern. Surely the Home Secretary, who had herself been questioned repeatedly by the Select Committee, should have understood how serious the issue was and would have had herself and her Ministers all over the agency like a rash ensuring that they knew exactly what was going on.

The Home Secretary said that she was explicit about what the pilot would cover and what it must not cover. How has muddle and misunderstanding arisen if she was so clear? We need to know. Her answers were not full and complete. Let us see all the exchanges and see what happened. Giving that information only to an internal inquiry, as she implied today, is not adequate; it needs to be given to Members of this House—to the members of the Home Affairs Committee, in particular, but also to Members of the House as a whole. The Home Secretary has a lot of questions to answer; she has gone no way towards answering them today.

3.42 pm

Stephen Phillips (Sleaford and North Hykeham) (Con): It is an enormous pleasure to follow the right hon. Member for Cardiff South and Penarth (Alun Michael), with his considerable knowledge of the way that the Department functions. However, for me, and I hope for other Members of this House, the most disappointing feature of this debate has been that it has taken place not only in a heated atmosphere but, at times, in an extremely ill-tempered one. The right hon. Member for Blackburn (Mr Straw) said that he was concerned that the office of Home Secretary might be diminished by this affair. I am similarly concerned that this House has been diminished by some of the debate this afternoon. I say that because I think the British people are interested in three things as a result of this affair and, indeed, of their more general interest in the question of immigration—but not interested in an opportunistic fashion. I venture to suggest that this is an opportunistic motion, albeit that there have been opportunistic contributions from both sides of the House.

First, the British people want to know precisely what has gone on. Secondly, they want an acknowledgement by politicians in all parts of the House—but particularly, if I may say so to Opposition Front Benchers, by those who formed part of the previous Administration—that something went very badly wrong with immigration in this country for a very lengthy period, as a result of which many of our constituents spent much of the last general election campaign raising immigration with us as an issue that seriously concerned them. I know that the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) has done this in the past in relation to aspects of the previous Government's immigration policy, but it would do her, and those who sit with her, no harm at all to acknowledge that something went very badly wrong under the previous Government, that having an extra 2.2 million people—twice the population of Birmingham—in this country during the course of the 13 years that Labour was in power was not a good thing or something that increased community cohesion, and that real mistakes were made in relation to other areas such as establishing quotas for those from new-entry members of the European Union.

Thirdly, our constituents want to hear about what ministerial responsibility means in the 21st century in the context of a Department that, as the right hon. Member for Blackburn made clear, is at the forefront of relations between the state and the individual, which is why it has caused such problems for so many Home Secretaries in the past.

I was enormously pleased that the right hon. Members for Cardiff South and Penarth and for Normanton, Pontefract and Castleford acknowledged, because this must be the case in the 21st century, that neither the Home Secretary nor any other Minister can know precisely what is going on in their Department. What we therefore need, as my hon. Friend the Member for Hertsmere (Mr Clappison) indicated, is to get to the bottom of what happened on this occasion by virtue of the inquiries that will take place, to listen to the results of the inquiries, and only then to make judgments about the conduct of the Home Secretary and her officials and advisers in the Home Office.

Chris Bryant *rose—*

Stephen Phillips: I will give way to the hon. Gentleman.

Chris Bryant: I am very glad. The hon. and learned Gentleman seems a bit surprised that he is giving way to me.

How can we get to the bottom of the matter if it is not guaranteed that the inquiry will be published and that all the paperwork that will be provided to the inquiry from the Home Office will be published? If the hon. and learned Gentleman thinks that it should be, he should vote for our motion.

Stephen Phillips: I am not voting for the motion—let me deal with that point first—because it is entirely premature, as I have made clear. On whether the papers should be produced to the House, which is what most of the motion calls for, the answer is obviously no. The papers need to go before the inquiry. I have no doubt that after the inquiry has reported, a statement will be made to the House. I express no view at the moment about whether the report will be published. My view, which I will share with the hon. Gentleman, is that it ought to be published so that the House knows what it says, suitably redacted if necessary to protect the advice to Ministers that is not generally produced in this House, or indeed at all. That is necessary given the form of government that we have.

In the time that remains to me, I will briefly answer those three questions. What happened here? There was a limited pilot that was agreed to by the Home Secretary, which meant that under limited circumstances European economic area national children, travelling with their parents or as part of a school group, would be checked against the warnings index when assessed by a border force—

Alun Michael: Will the hon. and learned Gentleman give way?

Stephen Phillips: I will give way.

Alun Michael: The hon. and learned Gentleman is saying what the limits were. Can he enlighten us about whether he is speaking from the Whips' brief or whether he has seen all the exchanges and information on what limits were applied?

Stephen Phillips: I am speaking from my notes for the purposes of this speech. I am a little tired of Opposition Members intervening to make some point when I am trying to assist the House by saying what I understand the position to have been.

Alun Michael: On what basis?

Stephen Phillips: I know it in part because I read the evidence that the Home Secretary gave to the Home Affairs Committee, and indeed watched most of it.

I will state what appears to have happened on the basis of the evidence that we have at the moment. We do not have all of it because of the prematurity of this debate and because we have not heard Mr Brodie Clark's side of events. Mr Clark, according to his boss, accepted that he went beyond what he was permitted to do under the terms of the pilot and what had been agreed by the Home Secretary. It was for that reason that he was suspended, not by the Home Secretary, as the right hon. Member for Cardiff South and Penarth said, but by his boss, as the Home Secretary has made perfectly clear and as his boss has confirmed, after it became apparent that the terms of the pilot had been exceeded.

Chris Bryant: I just want to correct something that I think the hon. and learned Gentleman might have misunderstood. He said earlier that the warnings index was still being checked for children. It was not. The document that the Home Secretary says covers her guidance expressly states:

> "We will cease... Routinely checking all EEA nationals under 18 against the Warnings index".

Those passports were never scanned.

Stephen Phillips: If I said that, I misspoke.

My understanding is that the terms of the pilot were that children travelling in school groups or with their parents would no longer be checked. Those were the terms that were agreed. They were no broader, in many ways, than the terms of the pilots and systems that were applied by the previous Government. What gives great cause for concern is that the terms of the pilot seem to have been exceeded without reference to Ministers. It is that that the British public need to know about.

We need to get to the bottom of this matter, forgetting the sheer opportunism and ill temper that have permeated this debate, and find out what has happened so that it does not happen again. I also think, if I may say so, that the previous Administration must recognise their faults in the area of immigration.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. Many hon. Members still wish to speak, but we are running out of time—interventions are taking up a lot of time—so I am going to reduce the time limit again, this time to 4 minutes from the next speaker, in the hope that Members waiting to speak can get in. Perhaps those who have already spoken could apply some discipline and not intervene.

3.50 pm

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): We have heard a lot about the intricate detail of this policy, but I want to pose two key questions. First, what is the role in the Government of the Home Secretary and her Minister for Immigration? The second question concerns the Government's overall approach to immigration policy.

Let us wind back to the end of last year. The chief executive of the UK Border Agency announced that she would be leaving her post, and from January she took up another post in Whitehall. At that point, an acting chief executive was appointed, while several acting directors were also in post—as I understand it, some of them remain in post. Of eight posts, up to five at any one time were acting. All were operational posts—not backroom posts, but front-line operational director posts. On 26 September, the new chief executive of UKBA was appointed.

Ministers, and the Minister for Immigration in particular, had a strong responsibility to ensure leadership and continuity at a time when there were so many acting officials. It was his responsibility, in particular, to watch the detail, to ask the questions and to set the direction. Clearly the Home Secretary had a role, but I have been a junior Minister supporting a Home Secretary, and I know that the role of a junior Minister is to look at the detail and to ensure that the Home Secretary has what she needs to do her job. So why has the Minister for Immigration been so silent? Was he reading the detail of the briefings sent to him, and was he watching the Home Secretary's back? She is protecting him now, and he should be very grateful. The named civil servants who have been condemned publicly in the House and elsewhere have not had the same cover. In his closing remarks, will the Minister tell us what progress reports he received from officials, what action he took to ensure that the pilot, as outlined, took place and where the pitfalls were?

Immigration is a complex project, and it needs that oversight. On the approach to immigration policy, the talk was tough. "Let's reduce the numbers," they said, "to tens of thousands, and let's go back to the levels of the 1980s and early 1990s." They wanted to create a new border force, forgetting that, actually, UKBA was, in effect, that very thing. The rhetoric on immigration and migration was great, but the actions have been weak. At the same time as all this rhetoric, the Minister for Immigration, in a little-known side move as he abolished identity cards, abandoned fingerprint biometrics in passports. The reason he was appointed to the Home Office was to abolish identity cards, but in the process, he threatened the security of the British passport and, therefore, part of our immigration system. He threw out with the bathwater the precious baby of our security.

We have e-Borders, but only for some and only when it suits the Government. Then, let us look at the budget issues. We saw a 23% reduction in the Home Office budget, and it is naive to think that we can conduct a modern immigration service with fewer resources. I know, because I have been in such meetings in the past, that the Department for Transport, the airlines and the operators will have been putting immense pressure on the Home Office to reduce queues. However, the Home Office's job is to maintain the integrity of security. It seems that it crumbled, but that is hardly surprising, given that it took its lead from No. 11 Downing Street, because, ultimately, those cuts to the budget led to a cut in service.

The buck stops with the Minister for Immigration, the Home Secretary and, ultimately, No. 10 and No. 11. By cutting too far, too fast and at any cost, the Government have put the security of our borders at risk.

3.54 pm

Charlie Elphicke (Dover) (Con): I had the great pleasure of inspecting the border controls at Dover and at Calais with the right hon. Member for Leicester East (Keith Vaz), the Chairman of the Home Affairs Committee. We went last year, and we were shown around by Brodie Clark and his fellow officers. It was a very interesting educational journey, and we saw the hard work of the officers on the ground.

Whatever the brickbats from Members on both sides of the House in relation to what did or did not happen in the Home Office among the high-ups and all the rest of it, we ought to pay tribute to the front-line officers at the UKBA, who do a fantastic job standing at our border, keeping watch and keeping guard come rain or shine. It is a difficult job—a very hard job—that requires a lot of experience and knowledge, and the longer they are there, the better they get at just knowing, deep down by instinct and experience, who to stop, and which lorries to stop.

The Home Secretary's pilot is not a bad idea. Opposition Members say that it is weakening controls, but I am not sure that that is right. It is a different method of border control, which takes a risk-based approach, and if we take such an approach we are saying that we will rely on the experience of those front-line officers to determine who should and who should not be stopped. We are relying on their intelligence and on intelligence gathering.

It is quite significant that, since the pilot was introduced a year or so ago, we have seen a rise in the number of illegal entrants being caught, so we should be slow to say, "Let's just chuck this pilot out." Instead, we should carefully and thoughtfully evaluate and consider it, and see whether that way of organising our border controls might actually be the best way.

Julian Sturdy (York Outer) (Con): My hon. Friend is absolutely right, and in this debate we must be careful not to become too party political, as has already happened. Is it not important to ensure that all three investigations that the Home Secretary has put in place are thoroughly undertaken, so that they can lead into what my hon. Friend is saying?

Charlie Elphicke: That is a fair point. There are several important ongoing inquiries into what happened, and they are the right thing to do. It is right that the new boss of UKBA should have the licence and ability to supervise his staff—and that includes Brodie Clark. If the new boss takes that view, and the Home Secretary endorses it, that will be the right execution of the chain of command. The House should respect that, and it should respect the need to let the inquires go through and be conducted properly. I appreciate that the hon. Member for Rhondda (Chris Bryant) may not agree, and may want all the papers published on the internet immediately, but the proper processes should be followed and dealt with. We should ensure that we have the most secure borders possible, because our constituents are deeply concerned about what has gone on.

I talk to people on the doorsteps of Dover who tell me, "I am really unhappy about the fact that we have had so many people come into this country," and it is a matter of public record that about 2.2 million have done so. European Union citizens have in broad terms a free right of entry to come and go, but that does not apply to people outside the area.

Andrew Bridgen: Without trying to be too opportunistic, I wonder whether my hon. Friend agrees that when the hon. Member for Rhondda (Chris Bryant) told the House that concerns over immigration, border controls and asylum were just "nonsense" and apparently "huff and puff" in many of the tabloid newspapers, he showed that he has no credibility on the subject—and neither do the Labour party.

Charlie Elphicke: I thank my hon. Friend for that point, and he is right. The hon. Gentleman discussed the matter in a question on the EU constitution, and in fairness I should read out his entire remarks. He said to the then Home Secretary, the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett):

> "The Home Secretary may well have heard over recent days much huff and puff in many of the tabloid newspapers about the draft constitutional treaty and what it will do to border controls and asylum and immigration in Europe. Will he ignore all that nonsense"?—[*Official Report*, 16 June 2003; Vol. 407, c. 15.]

The then Home Secretary replied: "Yes, I agree entirely." One gets a perspective from that, but I do not want to labour what is a partisan point. I am sure that the hon. Gentleman will be able to read out more of what he said—he did go on; indeed, he does go on—when he gets his own chance to make some remarks.

I shall close with the concerns of my constituents. We need more controls for people from outside the European Union. The figures reported by the labour market survey

[Charlie Elphicke]

show a total increase of 966,000 in employment between quarter 1 of 2004 and quarter 3 of 2010—that is, 966,000 people not born in the UK. UK-born employment fell by 334,000, while foreign-born UK employment rose by 1.297 million. Of those, 530,000 were born in the EU8 countries. The essential point is that the majority—800,000—were born outside those countries. We see immigration as somehow an EU problem, but there is a bigger problem with people born outside those areas—people for whom we can take controls. I hope that in time we will not only do that, but do more to make the Home Office fit for purpose, after the mess of the past 13 years.

4 pm

Steve McCabe (Birmingham, Selly Oak) (Lab): The issue before us today is not what Mr Brodie Clark did or did not do—although I hope that before the end of the debate we will hear from the Front Bench that the Government will put no obstacle in the way of his attending the Home Affairs Committee on Tuesday. Today we need to focus on the arrangements for which the Home Secretary has now admitted she was responsible. She claims that she authorised a pilot to establish a risk assessment approach. It was evident from her statement to the House on Monday that she was more than a little shaky on the details of the pilot—a secret pilot—which was actually a scheme to relax border controls at every airport and port of entry in the country. From the end of July to the beginning of November, literally millions of people passed through our borders without being subject to normal controls. By her own admission, she has no idea how many drug couriers, terrorists, people traffickers or gangsters got through.

A pilot is where we trial a new activity and assess it against the conventional approach, but the Home Secretary did it everywhere. She told us that a risk-based assessment was used, but we know that staff were advised that the measures were to deal with summer pressures. Far from being a pilot, it was a sleight of hand. She wants us to believe that the first she knew of the problem was last Thursday, but there is an operations log that is reported to the Home Office weekly. From July until September, when she authorised a further extension, she had weeks of information at her disposal. Why did she not look at it?

The Home Secretary came to the House on Monday and attempted to deflect the blame for the fiasco on to Mr Brodie Clark. That is a smokescreen designed to blind us to her negligent and inept behaviour. She is responsible for our borders and the security of the British people. As I put to her then, her colleague the right hon. Member for Haltemprice and Howden (Mr Davis) dispatched Charles Clarke, the former Home Secretary, on the basis that he was culpable for putting the security of the British public at risk. Sadly, I had to accept that the right hon. Gentleman was right; and, for exactly the same reason, his words are right today. Not only has this Home Secretary failed to protect our borders; she has sought to deflect blame, dump on others and throw a smokescreen over Parliament, rather than admitting that she is guilty of a gross dereliction of duty.

I of all people understand the efforts of Government Whips and the pressure that will be brought to bear on Tory Back Benchers today to speak up for the Home Secretary. I understand the sense of personal loyalty that some will feel, just as I felt it to Charles Clarke. However, if the Home Secretary cannot be relied on to protect our borders, if she cannot be relied on to give a straightforward account to Parliament and the Home Affairs Committee, if her instinct is to blame others when she is caught red handed, and if she puts fear of queues above fear of terrorists, then she is no longer fit for this great office and she should go now with dignity. She can make a clean break today and agree to make available all the information requested in the motion, or we can prise the details out a bit at a time. I doubt that it will save her. I call on her to do the decent thing. This House is good at persuading people to do the right thing. She should do it now.

4.4 pm

Mr Dominic Raab (Esher and Walton) (Con): Since coming to office, the Government have initiated a series of reforms to try to get a grip on the chaos they inherited, such as the cap on non-EU migration, the crackdown on abuses of the student visa system, the accreditation for colleges and the focus on the family route. However, we need to be clear about the size of the task we face after 13 years of open-door immigration, because under the previous Government, as much as Labour Members huff and puff, net migration was more than 2 million.

Mr Watts: That is not the issue!

Mr Raab: It is the issue, and we will come to why.

The lack of control under the previous Government was illustrated by periodic catastrophes. They could be dismissed as one-offs—I am sure that that is the intention of Labour Members—but this Government inherited serial, systematic failings that they must clean up. Under the previous Government, the Home Office ignored warnings that visa claims were being backed by forged documents; 1,000 foreign prisoners were released and not considered for deportation; illegal immigrants were cleaning the Home Office; and 12 illegal workers were given security jobs in the Metropolitan police, one of whom guarded the site where the Prime Minister's car was parked.

Karl Turner (Kingston upon Hull East) (Lab): Will the hon. Gentleman give way?

Mr Raab: I will not give way, because of the time.

We know from Brodie Clark that the relaxation of current checks dates back to 2008. One obvious question is whether the former Home Secretary—the former right hon. Member for Redditch—knew about or authorised the relaxation at that time. That is the institutional context and the legacy that the Government inherited.

I welcomed the Home Secretary's statement on Monday. One thing remains clear: we still have a long way to go to repair the inherited fractures in our border controls. The big picture, however, is that the Government are dealing with the operational strains that result from the strategic error of one Labour Home Secretary, who said that he could see no obvious upper limit on net migration to this country, being compounded by another who confessed that the UKBA was not fit for purpose but failed to clean up the mess. There are unanswered questions and we need to get to the bottom of each one—that is why three reviews are in place—but we need right answers, not rushed ones.

The motion is so patently a fishing expedition to find something—anything—that might cause political embarrassment. It has little to do with sound public policy; it is all about cheap politics. The net is cast so widely as to be deeply irresponsible on security and the burden on officials, who are working hard to rectify the mistakes that have been made. To demand the publication of every item of official advice and every record of exchange would have a chilling effect on the candour and flow of advice to Ministers. The risk is more of the informal advice and sofa government that we had under the previous Government.

Opposition Members cannot on the one hand cry that Ministers are exposing officials to the harsh glare of media limelight and on the other ask for every official utterance immediately to be released to the public. Things might be different if the shadow Home Secretary were asking specific, focused questions, but she is not. It is irresponsible to ask officials to drain the swamp in search of vignettes for Labour party press releases.

Frankly, the motion trivialises an important debate and the serious scrutiny that the House should exert. All hon. Members should be seriously concerned about the recent failings at the UKBA, but no hon. Member who is concerned could credibly vote for the motion.

4.8 pm

Keith Vaz (Leicester East) (Lab): The hon. Member for Esher and Walton (Mr Raab) is right that many questions remain unanswered. That is why it was good to have the Home Secretary before the Select Committee on Home Affairs yesterday to answer questions for more than an hour on this important issue.

It is right that we should have this debate today. Hon. Members on both sides of the House have described it as an ill-tempered debate, but I have been a Member of the House for 24 years, and no debate on immigration is not noisy, because these are controversial matters. It is right that the House should look at what the Home Secretary has done. Yesterday, she took absolute ownership of the pilot scheme and made it very clear to members of the Committee that anything beyond that was the responsibility of Brodie Clark.

In the few minutes I have available, I should like to update the House on what the Committee will do in respect of the inquiry. Of course, there will be an independent inquiry set up by the Home Secretary and led by John Vine. The Committee rates John Vine, who has done a terrific amount of good work. In a sense, we wonder what would have happened had he not turned up last week at that terminal in London to find out what was going on. We would certainly not be having this debate today. The fact that he is conducting the inquiry is therefore welcome. I am not absolutely certain that there is a need for two other internal inquiries, but I will go along with the Home Secretary on that. If she feels that they will be useful, let us hear what they have to say.

On Tuesday, the Select Committee will hear from Brodie Clark. I am extremely grateful to him for responding so readily to our invitation to come and speak to us. He has made it clear that he will not make any statements outside the Select Committee hearing or give any newspaper interviews until he has had the opportunity to answer questions from members of the Committee. As what he said yesterday was basically in direct contradiction of what the Home Secretary said, it is important that we hear the views of all sides before coming to a conclusion. We have also asked Rob Whiteman, the new chief executive of the UKBA, to give evidence to the Committee, and when the Immigration Minister gets back to the Home Office, he will see a letter from me inviting him to give evidence to the Committee as well. It is important that he should have an opportunity to tell us what was happening on a day-to-day basis.

The Select Committee has a long record, under successive Governments, of producing reports on the UK Border Agency. My right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson) will remember that we also criticised the agency's operation when he was Home Secretary. The key thing is that, when recommendations are made, they should be implemented. That is why I was heartened to hear what the Home Secretary said about the need for the UKBA to change. This has been a crisis, and it will not be resolved until we have all the answers, but she should use it as an opportunity to look at the organisation. It has been fundamentally flawed for a number of years. I do not go back to the crucifixion, as some hon. Members have done; I go back only to 1987. The agency has been flawed since the day I entered Parliament and discovered, during my very first campaign, that there were bags and bags of unopened mail. It is very important to see what is happening today in that context, and to ensure that we make the necessary changes. All that we ask in the Select Committee is that our witnesses are open and transparent, and that they give us the answers so that we can prepare a good, timely report for the House.

4.12 pm

Mr Gerry Sutcliffe (Bradford South) (Lab): I have been a Member of this House for 17 years—five years in opposition, 12 years in government—and I have been privileged to be a Minister in various Departments. Which was the most toxic Department? The Home Office, for the reasons that have already been given by former Home Secretaries and former Home Office Ministers. I am an ex-Minister in the Home Office, and it beggars belief that the Immigration Minister did not follow this matter through in the way we would expect. There has been a major change to a flagship policy. Immigration and counter-terrorism have been strong policies that, as the Prime Minister has often said, are at the heart of the Government's response. They have been flagship policies because we need to keep our borders safe and secure, but it has been accepted that there has been a change of policy in the guidance. We have now been told by the Home Secretary that Ministers did not see what was happening. I cannot believe that, but the Immigration Minister will have an opportunity to respond and tell us exactly what did go on—or will he?

I have been around here for 17 years, as I said, and I spent three of those in the Whips Office. My hon. Friend the Member for Birmingham, Selly Oak (Steve McCabe) will also recognise the Whips' operation in action. Most of the Conservative Back Benchers who

[Mr Gerry Sutcliffe]

have spoken today have not talked about the issue concerning the Home Secretary; they have talked about immigration policy and the differences between us in that regard. That is their fault, in the sense that they turned immigration into an election issue. They said that they would reduce the amount of immigration from hundreds of thousands to tens of thousands by the end of this Parliament, but that is not going to happen, because the Government are hitting the problems that all Governments face because of the complexity of the issues. None the less, we will have debates on immigration and on who was at fault.

This is also about the role of the Home Secretary in dealing with members of staff. It was appalling that she attacked Mr Brodie Clark in the way that she did on Monday. People should be given the opportunity to make their case. It is right that we have the inquiry by the Home Affairs Committee and the other inquiries, but the questions that my right hon. Friend the shadow Home Secretary asked need to be answered. The answers need to be in the public domain, because it is grossly unfair for somebody to be criticised and castigated as Mr Clark was without having the opportunity to reply. As my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson), the former Home Secretary, said, Mr Clark will have his day in court; and he will win, because what the Home Secretary did was constructive dismissal.

The debate will end with Government Back Benchers being loyal and the Government carrying the day. The good news for the British public is that the affair will not end today; it will continue. The truth will out. It is never good to see Ministers having to resign after holding on to power for as long as they can, as the Defence Secretary did recently. The Home Secretary should do the honourable thing and resign. The security and safety of our borders is paramount for Government.

4.15 pm

Stephen Pound (Ealing North) (Lab): It is always far easier to find a scapegoat than it is to find a solution, and we have heard some scapegoating this afternoon. We have heard scapegoating of individuals in the Home Office and we have heard scapegoating of the past. Even the hon. Member for Stourbridge (Margot James), normally such a seraph of sweetness and light in the Chamber, tried to introduce the suggestion that the previous Administration had an amnesty for asylum seekers. Madam Deputy Speaker, you know that at the last election only one party stood in favour of a "keep your head down and everything will be all right" amnesty: the Liberal Democrats, with the mendacious mush of pusillanimity that ended with them swallowing their principles and their pride and selling their souls to the Conservatives.

It is no good scapegoating the Home Office as some evil organism that takes the good and the innocent, and corrupts, kills and throws them out again, like the reactor room of K-19—the infamous Russian nuclear submarine from which no one ever emerged alive. That is not the situation.

We have an intensely difficult problem, dealing with human beings prepared to risk their lives, and in many cases to lose their lives, to come to this country. Any amount of legislation or fine theory comes up against the fact that some young lad from Afghanistan will hang on under a lorry, even though he has a 60% chance of dying, to come to this country.

We are dealing with people for whom the situation is in that order of seriousness, so we should grow up and stop going for the stupid false nostrum that we can pull a wall around this country, even around the forgotten frontier that stretches from Foyle through Belfast lough to Strangford. We cannot build a wall around the United Kingdom—*[Interruption.]* I appreciate that some may wish to do so, but it is not physically possible.

This summer, Raed Salah, a man banned from this country by the Home Secretary, wandered in through customs with a cheery wave and a tip of his hat—I was going to say that he stopped off at the duty-free, but he probably did not. The current structure is indefensible. How on earth can we possibly justify it?

I end with one positive thought. I speak not for my party on this; in fact, I think I may have more in common with the Home Secretary. Is it not time for us to revisit one of the sanest, most sensible, positive and productive proposals ever heard on the Floor of the House? Identity cards. Is it not time that we looked again at those proposals? Otherwise, we shall never know how many people entered the country this summer until they either rock up in MPs' surgeries, claiming that their overstay should be regularised, or appear in court. When they are asked how they came into the country, they will reply that it was during those sweet balmy days of summer when people could wander in and nobody said a word. The way to find out is to be like my right hon. Friend the Member for Kingston upon Hull West and Hessle (Alan Johnson), who carries his ID card in his wallet to this day. As does he, so should the nation.

4.19 pm

Chris Bryant (Rhondda) (Lab): There have been many striking things this afternoon. The most striking one at the beginning was how few members of the Cabinet came to offer their support to the Home Secretary. I have been in this Chamber on many occasions when people have called for a resignation. I have nearly always on those previous occasions seen at least half the Cabinet present. I presume that she does not have much longer, in light of the support from her colleagues.

There have been a great many contributions. I think I am correct in saying that we have heard from three members of the Home Affairs Committee—the hon. Members for Hertsmere (Mr Clappison) and for Oxford West and Abingdon (Nicola Blackwood), although I know she is unable to join us now, and, of course, the much-respected Chairman, my right hon. Friend the Member for Leicester East (Keith Vaz). We have also heard from a former Home Secretary, my right hon. Friend the Member for Blackburn (Mr Straw).

We heard, too, from the right hon. Member for Carshalton and Wallington (Tom Brake). I must say that when he said he thought the Labour party should have taken a humility pill, I thought that was—well, talk about "pot" "kettle" "yellow"! The Liberal Democrats should be swallowing a humility pill in respect of a whole load of things at the moment—but I think we will leave that to the electorate.

Other contributors were my right hon. Friends the Members for Manchester, Gorton (Sir Gerald Kaufman), for Wythenshawe and Sale East (Paul Goggins) and for Cardiff South and Penarth (Alun Michael); my hon. Friends the Members for Hackney South and Shoreditch (Meg Hillier), for Birmingham, Selly Oak (Steve McCabe), for Bradford South (Mr Sutcliffe) and for Ealing North (Stephen Pound); the hon. Members for Stourbridge (Margot James), for Dover (Charlie Elphicke) and for Esher and Walton (Mr Raab); and the hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips).

All spoke and made interesting contributions, but what have we learned today? First of all, we have learned that the Home Secretary experimented with lowering our border controls—and unlike the Home Secretary, who made up her contribution, I am not making this up—in the year before the Olympics. She chose to experiment with border controls in the year before the Olympics!

Secondly, we learned that the Home Secretary did not even know what she agreed to in the first place. We saw that classically on Monday afternoon, when Members asked whether the experiment applied to Manchester airport, to Glasgow or to Belfast, and she did not know. She did not have the faintest idea; she was completely clueless. She still does not know today how, where or when her experiment with our border controls was applied. Even after days and days of this issue being the main one in the media, she has not chosen to brief herself to find out how it was applied.

The one member of the Cabinet who was here to provide his paltry support was the Secretary of State for Education. *[Interruption.]* Oh, sorry—I forgot about the Secretary of State for Wales, because we always do. We have heard that this was a pilot, but I would have thought that a pilot would be introduced in just one airport to see how it worked out, not become an experiment in changing the whole policy on our border controls across every single airport and port of entry into this country. This was no pilot; it was a change of policy.

We have also learned that the Home Secretary extended the experiment for a couple of extra months without even getting a view from the front line on how it was operating. It was only because John Vine happened to go along to Heathrow that we were able to find out exactly what was happening. *[Interruption.]* The Minister for Immigration says that Ministers cannot be expected to do inspections, yet we heard from the hon. Member for Dover that at least he has been able to go and visit. *[Interruption.]* Yes, the hon. Gentleman went, but the Minister did not bother.

Charlie Elphicke *rose—*

Chris Bryant: I am not giving way to the hon. Gentleman; he has already spoken.

We also learned today that data do exist. The Home Secretary admitted that for the first time this afternoon, but she is refusing to publish them. *[Interruption.]* She is looking confused again; of course she is, because she has not bothered to burrow down into the detail. We want her to publish the data as soon as possible. She also admitted that the interim operational instruction, which we have referred to over the last couple of days, represents Government policy and that it does not stretch Government policy at all.

We have learned today, too, that the Prime Minister and several hon. Members who have been given Government Whips' handouts think that this policy was a good idea. Well, if it was a good idea, are they going to do it again next year? I suspect not because they know it was not a good idea in the first place. What have we seen in this country?

Stephen Phillips: The pilot caught an extra 10% of illegal immigrants who were trying to enter the country, so why was it not a good idea?

Chris Bryant: It is interesting, is it not, that the only pieces of data that Government Members can come up with are the pieces of data that they think will help their argument. If the hon. and learned Gentleman wants the House to have data, let him publish the whole set of data, so that we can know exactly how successful or unsuccessful the operation was. He may wish to present a private Member's Bill next year, in which case I look forward to seeing how many Government Members support him.

What have we seen in the country, though? One person from the neighbouring constituency of Cynon Valley contacted me, having arrived at Heathrow in the summer. He said that

> "all those with biometric passports were called up and just waved through".

That is precisely the opposite of what Ministers have been saying. I also have a piece of paper from the chief operating officer at Heathrow, who writes:

> "Within the passenger environment the highest risk currently at Heathrow is the onset of the student season, which brings with it large numbers of people".

She goes on to explain how she and her colleagues will be dealing with that. It is, of course, one of the main issues with which the Minister for Immigration is meant to be dealing. The chief operation officer writes:

> "We have a number of ways of mitigating that risk, and these are now in place: use of Level 2 measures"—

in other words, the lighter touch—

> "with the opportunity to use additional measures where required".

That flies directly in the face of everything that the Home Secretary has been saying, and everything that the Minister has been saying.

We also know that some operations were suspended which the Home Secretary says were not. On Monday afternoon, she said:

> "First, biometric checks on EEA nationals and warnings index checks on EEA national children were abandoned on a regular basis, without ministerial approval."—[*Official Report*, 7 November 2011; Vol. 535, c. 45.]

That is her basic defence. Yet the very document that she says reflects her policy states:

> "We will cease...Routinely checking all EEA nationals under 18 years against the Warnings index".

Those children's passports were not swiped. The warnings index was not involved. That is directly contrary to what the Home Secretary said on Monday.

As for the Immigration Minister, who has been notable by his absence over the last few days, I think the whole House would agree that he is a nice man. I myself would argue that he is nicer than his politics. However, the fact remains that he has been completely absent. I should have thought that an interventionist Minister—

[Chris Bryant]

[Interruption.] Will he calm down? I should have thought that an interventionist Minister who wanted to introduce a new policy on border controls and had organised an experiment would be ringing up members of staff at Heathrow, Gatwick and Calais to find out exactly what was happening. In my view, the Minister has been so hands-off that much of this problem is directly his fault.

I note that this afternoon, when the Prime Minister's spokesman was asked on eight separate occasions whether any Minister other than the Home Secretary had sanctioned the extension to further areas, the spokesman expressly chose not to answer the question. I suspect that that is because it was the Immigration Minister himself who gave a further sanction to the extension of the regime.

Government Members would love to talk about anything other than the fact that what has happened is due to two decisions that were made on their watch: the decision to cut the number of staff in the border force by 886 this year and by 1,552 by the time of the next general election, and the decision to suspend some border controls throughout the summer. This was not a pilot; it was a change of policy. It has blown up in the Home Secretary's face, and she simply has not the decency to own up.

All that my constituents want to know is this: did anyone dangerous or criminal enter the country this summer at a port or airport near them? Sadly, we will not know the answer unless the Government do what our motion calls on them to do and publish the facts in black and white.

4.29 pm

The Minister for Immigration (Damian Green): This is a serious subject, which deserves serious contributions. Sadly, the shadow Immigration Minister, the hon. Member for Rhondda (Chris Bryant), has just characteristically walked the line between opportunism and hypocrisy, as he so often does, believing apparently—*[Interruption.]* He apparently believes—*[Interruption.]*

Madam Deputy Speaker (Dawn Primarolo): Order. I am sure the Minister was not making any personal comment as to integrity or behaviour, but he might wish to rephrase his remarks.

Damian Green *rose—*

Hon. Members: Withdraw.

Damian Green: No. I chose my words very carefully, Madam Deputy Speaker, and I have no intention of withdrawing them because they are the truth. Unlike the hon. Gentleman, I do not need to shout to say the truth. It is a shame that he adopted the attitude that he did, because this is a very serious issue, but it is not surprising given some of the other contributions from Opposition Members, which, unfortunately, attempted to blame the fall of the Berlin wall, my noble Friend Lord Howard and the late Lord Whitelaw for problems in the current immigration system, not recognising for a second how much their Government weakened border controls. We heard no recognition of how their Government allowed warnings index checks to be suspended on EEA children and adults, no recognition of how their Government threw open the border at Heathrow, and no recognition of their uncontrolled immigration policy that allowed net migration to this country of 2.2 million. There is only one phrase the British people need to hear from the Labour party on immigration, and that is, "Sorry—sorry we left such a mess."

My right hon. Friend the Home Secretary has set out in detail once again for the House the exact nature of the pilot that she and I authorised to target investigative resources on intelligence-led checks. The shadow Immigration Minister said he assumed that I had authorised the unauthorised extensions. I am happy to be able to assure him and the House that I did not. Under the pilot, instead of always checking children travelling with their parents and in school groups against the warnings index of terrorists and serious criminals, and instead of always checking European nationals' second photographs in the chip inside their passport, in limited and specific circumstances border force officers would have been able to use intelligence and operational judgment to decide which children to check against the warnings index and on which adults to open the second paragraph.

Mr Russell Brown (Dumfries and Galloway) (Lab): The Home Secretary talked about risks. I have been in correspondence with the Minister and the Home Secretary, and we disagree about the internal port at Stranraer and Cairnryan. Following the withdrawing of UKBA funding there, people arrive—[HON. MEMBERS: "Speech!"] People arrive there, they are illegal and they are identified by the Dumfries and Galloway constabulary. Arrangements are then made with—

Madam Deputy Speaker (Dawn Primarolo): Order. If Members rise to intervene, they should make an intervention, not deliver a short lecture. I call the Minister.

Damian Green: I know how strongly the hon. Gentleman feels about the Larne and Stranraer issue, but it is not an international port. Northern Ireland is part of the United Kingdom; boats that come from Northern Ireland to Scotland are not crossing an international boundary. That is a fact that the hon. Gentleman needs to recognise.

The pilot was designed to improve security at our ports and to strengthen our border. Several Opposition Members said they believed that it was not being monitored and that no information was being passed to the Home Secretary or me during the course of the pilot, but of course that was not the case. We were getting regular information from management about what was happening, and it was telling us that there was a 10% increase in the detection of illegal immigrants, a 48% increase in fraudulent documents detected, and that cocaine seizures and illegal firearms seizures were up.

Yvette Cooper *rose—*

Damian Green: Before I give way to the right hon. Lady, will she answer the following question? If the figures for the pilot had gone the other way—if detections were down, the number of fraudulent documents detected were down, and drug seizures were down—would she not be calling for a debate to argue that the pilot was a failure? Why is she calling a debate now when, as far as we can see, this pilot was a success?

Yvette Cooper: If the hon. Gentleman's pilot was such a success, he will need to explain why he has now suspended it. There is an important question that the Home Secretary ducked earlier about the management data that were available—I refer to the information about how many times the checks were downgraded to level 2. How many times did that take place over the summer? Has the Minister seen that information? If so, will he publish it? We know that the information exists.

Damian Green: That is precisely the information that the various investigations are looking at, but what the right hon. Lady has to recognise is that, without the authorisation of Ministers, senior UK border officials are alleged to have ordered the regular relaxation of border checks. They also went beyond the pilot that Ministers had agreed. Biometric checks on European economic area nationals and warnings index checks on EEA national children were abandoned on a regular basis, without approval, and adults were not checked against the warnings index at Calais, without approval.

What the pilot was designed to do—I hope that there will be some consensus on this across the House—was to have a risk-based approach. I say that there should be some consensus, because having a proper risk-based approach to immigration control has been the basis of our policy on both immigration and wider security since 9/11. I was grateful for the support of my right hon. Friend the Member for Carshalton and Wallington (Tom Brake) on that point. It is obviously sensible to concentrate our effort and resources in those areas where they are likely to have most effect on making our borders safe. I cannot believe that there is a Member in any part of this House who disagrees with that. That is what we approved.

On the point about queues which was raised by several hon. Members, including the right hon. Member for Wythenshawe and Sale East (Paul Goggins), there is of course permanent pressure for shorter queues; there is pressure from Members of this House. I have to tell the right hon. Gentleman that whenever I come back in the autumn—I suspect this was the case for any previous Immigration Minister—I hear tales of woe about queues at Heathrow, but it is absolutely the first responsibility of the Home Office to make sure that we do not compromise security. That is what this pilot—that is what a risk-based approach—is designed to do.

What happened that went beyond authority was that the verification of the fingerprints of non-EEA nationals from countries that require a visa was stopped on regular occasions, without approval.

Dr William McCrea (South Antrim) (DUP) *rose—*

Damian Green: I am sorry, but I do not have time to give way.

Let me quote what Rob Whiteman, the chief executive of the UKBA, said:

> "Brodie Clark admitted to me on 2 November that on a number of occasions this year he authorised his staff to go further than Ministerial instruction. I therefore suspended him from his duties. In my opinion it was right for officials to have recommended the pilot so that we focus attention on higher risks to our border, but it is unacceptable that one of my senior officials went further than was approved."

Toby Perkins (Chesterfield) (Lab) *rose—*

Damian Green: Do sit down; you have not been in the debate.

If Brodie Clark had not admitted that to his immediate superior, he would not have been suspended. That is why he was suspended.

Let me turn to some of the points raised by hon. Members. The serious point that the shadow Home Secretary made was about staffing cuts, so let me quote for her from the UKBA business plan produced at the end of the previous Government's term in office. This was her Government's policy, and it says:

> "Our workforce projections indicate that there will no longer be a business need for the same number of staff in certain locations by the end of March 2011...within Border Force it is imperative that frontline services are maintained but changes to the way we work mean that this will be achievable with targeted reduction across the grade range."

In other words, the previous Government were planning to reorder the way the border force works so that it could be effective with fewer people. That is why I said that the hon. Member for Rhondda was walking the line between opportunism and hypocrisy—I was not referring to him personally at all.

Indeed, my predecessor, Phil Woolas, said:

> "Providing more flexibility and powers for the deployment of officers in tackling those threats at the border will enhance border security and therefore the protection of our country."—[*Official Report, Borders, Citizenship and Immigration Public Bill Committee,* 9 June 2009; c. 5.]

That is what Labour's last Immigration Minister said, and I agree with him. It is pretty disgraceful that his successors are now attempting to say that it is somehow improper to follow that example.

For many years, the UKBA has needed to be reformed. We have reversed Labour's open-door immigration policy; we have capped economic migration; we have clamped down on student visas; we have restricted family migration; and we are breaking the link between temporary migration and permanent settlement.

Chris Bryant *rose—*

Damian Green: I will give way once, to the hon. Gentleman.

Chris Bryant: I am very grateful. The one thing that neither of the Ministers has revealed today is what will be published at the end of these inquiries. On Monday afternoon, the Secretary of State changed her original date for producing the inquiries—by January—to the end of January. What exactly are the Government going to publish? Will they publish all the important decisions—obviously, with the redactions that were referred to earlier—so that we can see in black and white precisely what they sanctioned?

Damian Green: Obviously, all the relevant papers will go to the inquiries, and it is for John Vine, who is an independent inspector, to decide what he should publish. That seems to me the sensible way to do it. If there is an independent inspector holding an independent inquiry, it is not for me to tell him what to do.

For the first time in 15 years, we have a Government who are willing and able to deliver a controlled immigration system. Because of the shambles we inherited, it will take longer than I, this House or the British people

[Damian Green]

would want, but we will improve the UKBA, we are bringing immigration under control and, unlike the Labour party, we will continue to take immigration as seriously as the British people do. This is a shameful motion promoted by a shameless party, and I urge the House to reject it.

Question put.

The House divided: Ayes 247, Noes 300.

Division No. 393] **[4.41 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Paul
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Phil
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mr David Hamilton and Susan Elan Jones

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Bebb, Guto
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C.
(Monmouth)
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Howell, John
Hughes, rh Simon
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, rh Nicholas
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, rh Sir Peter
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather

White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Shailesh Vara and
Norman Lamb

Question accordingly negatived.

Youth Unemployment

4.54 pm

Mr Liam Byrne (Birmingham, Hodge Hill) (Lab): I beg to move,

That this House believes that the Government's policies of cutting spending and raising taxes too far and too fast have resulted in the UK economy flat-lining for 12 months, well before the recent Eurozone crisis; notes that unemployment has reached a 17-year high and youth unemployment has hit a record level of 991,000; further notes that slower growth and higher unemployment makes it harder to get the deficit down and that the Office for Budget Responsibility forecasts £46 billion more borrowing than the Government planned; further believes that with long-term youth unemployment up by 64 per cent. since January 2011 it was a mistake to abolish the Future Jobs Fund and urgent action is now required to stop a generation of young people being lost to worklessness; agrees with the IMF's warning that 'consolidating too quickly will hurt the recovery and worsen job prospects' and that the Government should have 'a heightened readiness to respond, particularly if it looks like the economy is headed for a prolonged period of weak growth and high unemployment'; and calls on the Government to adopt the Opposition's five point plan for jobs which includes using funds raised from a tax on bank bonuses to guarantee a job for 100,000 young people and build 25,000 affordable homes, bringing forward long-term investment projects, temporarily reversing January's VAT rise, a one-year cut in VAT to five per cent. on home improvements and a one-year national insurance tax break for every small firm which takes on extra workers.

I am glad to have the opportunity to open this Opposition day debate on youth unemployment, but sad not to see the Secretary of State in his place on the Treasury Bench. This is the second such debate we have had on youth unemployment, and it is the second such debate in which the Secretary of State has not been in the Chamber to present the Government's argument. I am glad we have the opportunity to debate the motion today because next week we will see figures that could show youth unemployment has risen above 1 million, but I hope that it will come down. Today we have a chance to force the Government to come to the House to explain their complete failure to address the crisis now unfolding in almost every community in this country: the crisis of youth unemployment and the re-emergence of scars that we thought had gone from communities, never to return.

When we debated this issue in February, we heard some pretty complacent arguments from Treasury Front Benchers. Indeed, we had the spectacle of a Minister trying to blame the rise in youth unemployment unfolding on his watch on what happened five years ago. I hope we do not have that spectacle again this afternoon, because it is about time that the Government had the guts to take responsibility for their decisions.

In the past few weeks, the chorus of voices raising the alarm about youth unemployment has grown loud and wide. Yesterday, the Trades Union Congress confirmed that youth unemployment has now risen in 97% of communities. Last Friday, the Work Foundation urged Ministers to take urgent action to help the lost generation or risk a crisis in Britain's communities. Last week, the CBI said:

"youth unemployment presents a specific and urgent challenge."

Last month, the chief executive of the Prince's Trust said that the number of unemployed young people is now twice the size of the population of Manchester and:

"If we fail to tackle youth unemployment now, we risk losing this talent forever which would be a tragedy."

My constituency has the highest level of youth unemployment in the country, and throughout the summer residents have been telling me that we have got to do more to help our young people—people like Deborah Gillespie from Shard End who said:

> "I've been looking since June for a job for my 16 year old. No jobs for him! He is a hard-worker. No-one will give him a chance."

One of her neighbours has said:

> "As I am an older person, I must say I do feel sorry for out-of-work youth. My own 24-year-old is out on the dole. They lose what little self-respect they once had."

When I asked what young people needed, my constituents' answer was pretty straightforward: work and to help them feel worthy. I know that what my constituents have been saying to me will have been echoed in constituencies around the country.

Robert Halfon (Harlow) (Con): May I ask the right hon. Gentleman why youth unemployment increased by hundreds of thousands when the previous Government were in office?

Mr Byrne: The hon. Gentleman will know that I am familiar with his constituency because it is where I grew up. What his constituents want to know is what this Government are doing about the rise in long-term youth unemployment in his constituency. I hope that he will use the opportunity of this debate to press his Front Benchers to do more for some of the young people like the people I grew up with in his constituency.

Andrew Percy (Brigg and Goole) (Con): I thank the Minister for giving way—*[Interruption.]* He is now a shadow Minister and will probably never be a Minister again—[HON. MEMBERS: " Oooh!"] Well, I talk to my electorate and that is what they are telling me. Although the right hon. Gentleman is right that we must do more about youth unemployment, the fact is that it was under his Government, from 2000 onwards, that the trend started to rise, and it was under his Government that the gap between the top 10 and bottom 10 performing schools, one of which I was teaching at for a number of years, increased. This is not something that can be laid at the door of any particular Government; it has been happening for a considerable time.

Mr Byrne: What the hon. Gentleman's constituents want to know is what the Government are going to do about the crisis of youth unemployment unfolding in constituencies—*[Interruption.]*

Madam Deputy Speaker (Dawn Primarolo): Order. For goodness' sake, I am losing my voice. Mr Browne, you will not stand at the Bar and shout across the Chamber. Thank you.

Mr Byrne: What the hon. Gentleman's constituents want to know is what this Government are doing for unemployed people in his constituency now. He might like to live in the past; his constituents want to know what he is doing for them today.

Henry Smith (Crawley) (Con): One of the things this Government can do, and are doing, is to provide more apprenticeship places. Does the right hon. Gentleman welcome, as I do, the 70% rise in apprenticeship places in Crawley that has just been announced?

Mr Byrne: That is such an important point that we will dwell on it at length shortly.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Will my right hon. Friend please ignore Government Members? They are in denial about what is happening to young people in this country. Young people are always the ones to suffer most in a recession. Does he agree that outside some parts of London and the south-east, we are in recession? We are in recession in Huddersfield and in his constituency, and we have to do something about it, but the Government are doing nothing.

Mr Byrne: My hon. Friend is absolutely right.

Under the Labour Administration, youth unemployment was 300,000 lower on average than under this Government today, even while the economy is supposed to be in recovery.

Angie Bray (Ealing Central and Acton) (Con): I recall writing a letter to my local newspaper in November 2009 berating the then Labour Government, whom the right hon. Gentleman served, for a 59% rise in the latest unemployment figures. Although he does not want to talk about history, does he accept that context is very important and that his own Government had a lot to answer for in relation to youth unemployment?

Mr Byrne: Let me remind the hon. Lady that under the previous Government, even at a time of recession, youth unemployment and long-term youth unemployment were coming down. That is because in the face of a crisis we chose to act. The question that she has to answer—

Mr Marcus Jones (Nuneaton) (Con): Will the right hon. Gentleman give way?

Mr Byrne: I might finish responding to the hon. Lady first.

The question that the hon. Lady has to answer for her constituents is why under Labour, even in recession, youth unemployment was coming down by 38%, and now, over the course of this year, long-term unemployment is up by 68%—on her Government's watch. What is she going to say to those on the Treasury Bench about what further action they must take?

Mr Jones: The right hon. Gentleman tells us how well the previous, Labour Government did on youth unemployment, but that is not how the figures look to me. From 2004, youth unemployment was rising, and when the Labour Government left office it was higher than when they took office in 1997. How does he work that one out?

Mr Byrne: The hon. Gentleman is an astute observer of current affairs, and he will have noticed that the worst international financial recession was under way—

Mr Jones *rose—*

Mr Byrne: Let me just answer the hon. Gentleman's question. He will know that the worst global recession since the 1920s was under way, yet despite that, before the election, youth unemployment was coming down. He must answer this question: how is it that this Government are doing so well, when since the beginning of this year long-term youth unemployment has risen

[Mr Byrne]

by 68%? Hundreds of constituencies around the country have seen long-term youth unemployment double. If he has the right plan, can he explain exactly what is going so well?

Mr Graham Stuart (Beverley and Holderness) (Con): As we know, the scar of unemployment on young people lasts through their lifetime; it has a tremendously negative impact. I do not think the right hon. Gentleman is getting the tone of this debate correct. In truth, in the years of economic boom on his watch, youth unemployment stayed resolutely high before peaking and rising following the crisis. We need to look at what we can do better to understand the youth employment market. He must at least acknowledge the steps that this Government are taking on training and apprenticeships. It may not be enough, but let us not use this as a party political football; let us try to be constructive.

Mr Byrne: I am grateful, at last, for a consensual note. *[Laughter.]* The hon. Gentleman's hon. Friends might laugh, but the fact that long-term youth unemployment in his constituency is up by 48% this year is not a laughing matter. This debate is an opportunity for us to interrogate this Government on what they are doing to get youth unemployment down and how, ahead of the autumn statement, they should negotiate with the Chancellor for more resources to get our young people back to work.

John Healey (Wentworth and Dearne) (Lab): Is my right hon. Friend aware that almost one in seven young people in Rotherham are looking for work and out of a job? It is one of the 10 worst-hit areas since this Government came to office. The question that people are asking is how much worse this waste of talent has to get before the Government are shaken out of their complacency, accept that what they are doing is not working and change course.

Mr Byrne: My right hon. Friend has experience of this matter at the sharp end. Long-term youth unemployment in his constituency is up by 78% this year. I know what a difference programmes such as the future jobs fund made in his constituency. That is why it is such a tragedy that before the evaluation was in, this Government chose to cancel the project. That is why this debate is so important.

The Opposition do not believe in half measures when it comes to getting young people into work. At the end of the recession, youth unemployment was down by 38%. A year and a half into the recovery, youth unemployment is up. This year, long-term youth unemployment is up by 64%. When we were confronted by the great increase in youth unemployment, we did not stand idle but did something about it. The future jobs fund worked because it helped to create 100,000 opportunities for young people all over the country. When we met to debate this matter in February, the jury was still out on the results. We now have the Department's own evaluation and the judgment is categorical:

> "for many participants their reported experiences had been to such a high standard, that they could not think of any improvements to the scheme."

The Government cancelled it anyway.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): In my constituency, unemployment among 20 to 24 year olds is now at nearly a quarter. Members across the House should be alert to the cohort challenge, because a whole cohort of graduates is being hit hard. The unemployment rate for new graduates in the third quarter of 2010, according to the Office for National Statistics, was 20%. One in five recent graduates who are economically active and looking for work is unable to find it. That is almost double the rate from the start of the recession, which was 10.6%.

Mr Byrne: My hon. Friend makes an extremely important point, which echoes that made by the hon. Member for Beverley and Holderness (Mr Stuart). We know that if people are out of work when they are young, they are more likely to be low paid in the course of their career, more likely to suffer ill health and more likely to be unemployed again. That is why the Prince's Trust and others are right to focus their attention on the crisis of youth unemployment that is unfolding in our country.

Jim Shannon (Strangford) (DUP): Not only is there the spectre of unemployment and the prospect of no jobs, but many of the young people who are not in education, employment or training are under medical supervision. Is the right hon. Gentleman aware that almost 30% of the young people who are unemployed are facing depression and are suicidal? Does he feel that we have to address that issue along with unemployment?

Mr Byrne: The hon. Gentleman makes an extremely valuable point, which I hope he will develop in the course of the debate.

When this Government were first in office, at a time when the economy was fragile, when the recovery was in its first stages, when they were launching the biggest programme of Government cuts for many years, and when there was a risk of rising unemployment, as was made obvious by the Office for Budget Responsibility, they chose, at huge expense, to take out the key back-to-work programmes that we had in place, which were keeping unemployment down. That will stand as one of the worst judgments made by this Administration.

I know that the Government will in a moment protest that they are taking action. The Secretary of State, who is not here today, reeled off a list of programmes at Question Time last month, when he said that there are

> "work clubs, work experience, apprenticeship offers, sector-based work academies, the innovation fund, European social fund support,"—

it is nice to see the Secretary of State supporting Europe on something—

> "the skills offer, the access to apprenticeships programme, Work Together, the Work programme, Work Choice, mandatory work activity and Jobcentre Plus."—[*Official Report*, 24 October 2011; Vol. 534, c. 4.]

It is not clear how Jobcentre Plus is an innovation of this Government, but none the less it earned a place in his list.

The only problem is that none of these programmes is making a blind bit of difference, so let us take some of the key measures one by one. I want to start with the flagship package of measures launched last May. So important was it, so pregnant with opportunity, so sure was it to make a difference, that the Deputy Prime Minister himself was allowed to put out the press release. Those measures came replete with a total budget of £60 million over three years—a grand total of £20 for every unemployed young person. Or we could look at it as 5p a day to help—

The Minister of State, Department for Work and Pensions (Chris Grayling) *rose—*

Mr Byrne: I shall give way in a moment, because I would like some questions answered.

That is 5p a day to help workless young people. In total, the scheme costs less than the Department spends on stationery—what an insult! Will the Minister tell us how many people the Government have got back into work? Just give us the number.

Chris Grayling: Will the right hon. Gentleman clarify that the measures announced in May were for 16 to 18-year-olds? He is misrepresenting the statistics. Will he also acknowledge to the House that his Government provided no support to 16 to 18-year-olds?

Mr Byrne: This is the Minister whom the chairman of the UK Statistics Authority once wrote to about his casual use of statistics, so I shall take no lessons from him about statistics traded across the Dispatch Box.

Lorely Burt (Solihull) (LD): Will the right hon. Gentleman advise me on the future jobs fund, which he heralds as a great creator of opportunities? Owing to EU rules on wage subsidy claims, posts offered had to be newly created; they could not be normal vacancies. How many young people got real, permanent jobs out of the future jobs fund?

Mr Byrne: The hon. Lady need only look at the statistics, including those for her area. This year, long-term youth unemployment has risen by one third in Solihull. The future jobs fund was helping to bring youth unemployment down. To return to the point made by the hon. Member for Beverley and Holderness (Mr Stuart), we have to help young people stay close to the labour market because if we let them drift into long-term unemployment, they have a bigger chance of being unemployed in the future, of being low paid and of drifting into ill health. That is why the right decision for her constituents, as well as mine, is not to do nothing, but to act.

Richard Fuller (Bedford) (Con): The right hon. Gentleman did not answer the question from my colleague, the hon. Member for Solihull (Lorely Burt). We are fooling ourselves, if we think that this problem is simply to do with this Government or the previous one. This is a long-term, growing problem of youth unemployment. *[Interruption.]* The hon. Member for Dudley North (Ian Austin) is looking for the statistics for my constituency. I can tell him: it is up 24%. As we look for solutions and as economies across Europe are being destroyed because of their excessive debt, my question is: what can we do that does not incur additional debt for the Government? Will he support our schools reforms? Will he support our efforts on apprenticeships? Will he support the reductions in taxation and regulation on small businesses indicated by the Government?

Mr Byrne: Long-term youth unemployment in the hon. Gentleman's constituency is up this year by 133%. That is a serious increase. I am happy to share with him the figures produced for us yesterday by the House of Commons Library. Those statistics speak to one key point: we need action to get youth unemployment down, and we need it now.

Paul Maynard (Blackpool North and Cleveleys) (Con): In my constituency, the figure is 36% year on year. I was delighted to read in *The Times* today the figures to which the right hon. Gentleman just referred on long-term youth unemployment. I made the point of getting the figures from the House of Commons Library, so that I could see what the figure was in my seat. Is he aware that in 235 constituencies, youth unemployment, by the measure that he requested, has fallen since May 2010, and that in a further 41 constituencies, it has remained static?

Mr Byrne: I can tell the hon. Gentleman the figures in his constituency. Long-term youth unemployment in his constituency has risen by 233%, and that is an extraordinary increase, but surely he will agree with the judgment of the TUC, the CBI and the Prince's Trust that now is the time for urgent action to get young people back to work, including young people in his constituency.

Paul Maynard: As the right hon. Gentleman has again mentioned my constituency, I note that according to the Library the unemployment figures rose from 75 in May 2010 to 100 in September 2011. I represent a coastal community. Has he ever heard of seasonal unemployment?

Mr Byrne: The figures are seasonally adjusted, as the hon. Gentleman will know, but surely he is not saying to the House and to his constituents that he is seriously relaxed about the rise in long-term youth unemployment in his constituency. I simply do not believe that that is his position.

Several hon. Members *rose—*

Mr Byrne: I will give way to hon. Members in a moment, but first I give way to my hon. Friend the Member for Walsall North (Mr Winnick).

Mr David Winnick (Walsall North) (Lab): The reality on the ground in my constituency is, I am sure, the same as that in many other parts of the west midlands and the black country. In my constituency, a store opened recently with 20 vacancies, and I wonder how many Government Members are able to tell us how many people applied for those 20 vacancies. I shall tell the House how many: 500. That is the reality: people desperate for work—and denied it by this Government.

Mr Byrne: My hon. Friend speaks with some passion, because he is right. We cannot tolerate any longer a situation in which long-term youth unemployment continues to rise at today's pace.

Nick de Bois (Enfield North) (Con): Will the right hon. Gentleman give way?

Mr Byrne: I shall, because the rise in long-term youth unemployment in the hon. Gentleman's constituency is three times the size of the rise in mine.

Nick de Bois: If the right hon. Gentleman is as interested as I am in developing sustainable long-term jobs to deal with youth unemployment in particular, does he agree with and welcome rolling back the heavy hand of employment rules and legislation, including vexatious employment tribunals, and will he commit his Front Benchers to do that and even go further, so that it is easier to employ people?

Mr Byrne: Before I became a Member, I started a business. I know what it is like to start a business with two people around a kitchen table, to grow it, build it, take on new staff and do well, but dealing with regulation was the easy bit; selling and making a profit was the tough bit, and that is why we need urgent action to get growth back into the economy.

Several hon. Members *rose—*

Mr Byrne: I shall give way to the hon. Member for Brigg and Goole (Andrew Percy) for the last time, and then I shall turn my attention to the Government's flagship Work programme.

Andrew Percy: I thank the shadow Minister for giving way. He is being very generous and deserves credit for that, but is he honestly saying that, on this important issue, to which he is doing a great disservice, the upward trend in youth unemployment under his Government, the increased gap between the best and worst performing schools and the increased number of young people growing up in families where nobody has ever worked are totally and utterly unrelated to youth unemployment today? If he is, he is being completely and utterly incredible.

Mr Byrne: The hon. Gentleman's constituents will want to know why he is living in the past, and what he is doing to take to his Front Benchers the argument about what more they are going to do in the autumn statement to get our young people back to work.

We have heard about the great success that is the flagship youth programme. Now let us turn to the Work programme.

Mr Denis MacShane (Rotherham) (Lab): Will my right hon. Friend give way?

Mr Byrne: In a moment. I shall just tell the House a little about the Work programme.

We have debated before the virtues of the Work programme, and I understand that young people can now be referred to it early. I shall put aside for one moment the Work and Pensions Committee's conclusion that it is one third smaller than previous programmes, because the Minister has strong views about that, and I shall put aside also the Social Market Foundation's analysis that the DWP offers providers of successful outcomes a maximum amount of money that is 25% less than the flexible new deal, because those facts are not the worst of it. The worst of it is that the Department itself expects three quarters of people to flow straight through the programme and straight back on to the dole, so I ask the House, how is that going to make a difference?

Mr MacShane: Do we not have to nail one lie—that there is some magic deregulation out there which solves the problem? European countries such as the Nordic countries, the Netherlands and Germany—the Minister of State, Department for Work and Pensions, the hon. Member for Thornbury and Yate (Steve Webb) is aware of this—all have stronger regulation and active labour markets, so it is a huge lie to say that the poorer young workers are and the worse they are treated, the more jobs there will be.

Mr Byrne: I know that my right hon. Friend will agree that it is curious that while unemployment is going down in America, the eurozone and Japan, it is going up in this country.

Nick de Bois: Will the right hon. Gentleman give way on that point?

Mr Byrne: I will give way in a moment, because I want to turn to apprenticeships, which the Minister has mentioned. Apprenticeships have sometimes been seen in this debate as the Department's silver bullet, so let us be clear: ours was the party that rescued apprenticeships. We inherited 65,000 apprenticeships; the figure was over 260,000 when we left office. This year, 85% of new apprentices will not be young people, but people over 25. Leaked documents seen by *The Guardian* show that Ministers have been warned that apprenticeships are actually a re-badging of existing jobs. It turns out that about 11,000 of this year's new places have gone to 16 to 18-year-olds. I should point out for the House that 205,000 of those aged 16 to 17 are now on the dole. If they all applied for one of those apprenticeships, they would have a 5% success rate. Getting into Oxford university is less competitive than that. Given those figures, an ally of the Chancellor of the Exchequer has said that the Chancellor thought that apprenticeships were

> "a rare piece of good news, but it's turning out to be a con".

The unnamed ally is right: it is a con. We have a Work programme that is all programme and no work, a youth jobs scheme that costs less than the stationery budget and an apprenticeship scheme that is harder to get into than Oxford university. No wonder overall long-term youth unemployment is going through the roof. Let us hear an answer from the Minister.

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): I am very happy to tell the right hon. Gentleman all about it, but I wonder whether he will acknowledge that today there are more apprentices under 25 than the total number of apprentices when his Government left office and that the two-year growth in apprenticeships for 16 to 24-year-olds over the last two years is bigger than at any time when his party was in office.

Mr Byrne: Will the Minister intervene again and say whether it is more competitive to get into Oxford university or to get on one of his apprenticeships? Just tell us: which is easier?

Mr Hayes: I am not sure that that is particularly relevant to the question that I asked, but I will ask the right hon. Gentleman another question. His Government commissioned the Leitch report—*[Interruption.]* It was probably the right hon. Member for Morley and Outwood (Ed Balls) who commissioned it—he was running the show in the Treasury then, or so he now pretends. What does the Leitch report say? It says that we need to upskill and reskill the work force and that apprentices are a critical way of doing that. Is the right hon. Gentleman now denying that? Has he changed his mind, or does he in fact think that we need to use apprenticeships for that purpose?

Mr Byrne: I want apprenticeships for young people, and it is this Government who are not delivering them. That is why, all over the country, we now see long-term youth unemployment rocketing up. Some 233 Members of this House now represent constituencies where long-term youth unemployment has risen by over 100% this year. Overall, long-term youth unemployment is up by 64% since the start of the year. All over Britain, scars that we thought were gone for ever are reappearing, and not just in Labour constituencies, but in places such as North Dorset, Aylesbury and Stevenage. Some 238 of us now speak for constituencies where, since the election, youth unemployment is up by 20%.

Dr Thérèse Coffey (Suffolk Coastal) (Con) *rose—*

Mr Byrne: In a moment.

The bad news is that business is saying that it will get worse before it gets better. In October, BBC Radio 1 surveyed the business community. It found that two thirds of firms surveyed said that the situation would get worse for young workers before it got better. Half said that the Government should do more to train young workers. That is surely a sentiment that the hon. Lady will agree with.

Dr Coffey: I think everybody in this House shares the sentiment that it is a tragedy for any young person who wants to work not to be able to get a job, but we are trying on that. What I would like to understand from the right hon. Gentleman is this. Under the last Government, people who were unemployed for 12 months were moved on to a training programme. That meant that they moved out of the unemployment figures, but they went back if they were not successful in securing a job. This is an opportunity for a genuine debate about the future of our country, but I am afraid that some of the—how can I put it—casual use of certain statistics is not helping us to achieve that.

Mr Byrne: Is the hon. Lady seriously denying that a crisis in youth unemployment is unfolding now? *[Interruption.]* I am glad that she says from a sedentary position that she agrees that there is a crisis, because the question now is what we do about it. That is the answer we want from the Government.

Before I set out what the Opposition believe is the right next step, let us remind ourselves who is paying the bill for this failure. Since the Government came to office, the benefits bill alone is projected to rise by more than £12 billion, which is £500 for every house in this country. To pay that bill for the new workless, the Government are having to squeeze working people through cuts to child care and tax credits, and the acceleration of the rise in the state pension age. Good people who are doing the right thing and who are trying to get on and go up in life are being squeezed to pay the bill for people who have been put out of work by this Government.

Mr Sheerman: Does my right hon. Friend agree that we need a massive plan for young people in our country, because this problem will get worse? We need education and training leading to work in the community and the environment. We need something bold and imaginative. The fact is that Government Members know that it is cheaper to keep young people on the dole.

Mr Byrne: My hon. Friend is absolutely right—

Robert Halfon: Will the right hon. Gentleman give way?

Mr Byrne: No. I could speak about this all afternoon, but I know that many hon. Members want to speak, so let me draw my remarks to a close by outlining what the Opposition believe should be done.

The Opposition believe that the starting point should be a new tax on bank bonuses. That is what this country is crying out for. There are only a few weeks left before the Chancellor's autumn statement. The Secretary of State is not here but I hope he reads *Hansard*. Let me give him some advice about what he should negotiate for. He should be putting on the table the five-point plan that my right hon. Friend the shadow Chancellor has set out before the House.

Let us set out what that plan means for young people in this country. Many people in this country deserve a tax cut, but our country's bankers are not among them. The scale of the imminent bank bonus round is already in the news. I see that there is a bonus pot of £500 million at Royal Bank of Scotland—shareholder: Her Majesty's Government. Here is a sentiment with which most hon. Members can agree. Lord Oakeshott, the former Liberal Democrat Treasury spokesperson said:

> "I don't want my taxes going to pay for hundreds of RBS investment bankers taking home millions in bonuses as their profits tumble."

Many hon. Members would agree with that. The Opposition advice is simple: let us have a fair and sensible tax on bankers' bonuses. That could create a fund of £2 billion, which we believe could help to get 800,000 back to work, including 11,500 jobs here in London; 5,000 in the south-east, the region of the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling); and 8,500 in my home region, the west midlands. That is the kind of action that the Secretary of State should propose.

Chris Grayling: Will the right hon. Gentleman give way?

Mr Byrne: I will give way in a moment. Let me tell the Minister this: that policy would be popular. Over the summer, I asked my constituents whether the bankers ought to share their blessings a little more generously and whether they should do more to help get young people back to work—97% of them said yes. That policy would be popular, so why is the Minister not proposing it?

Chris Grayling: I wonder whether I could just clarify a point. The Leader of the Opposition has previously announced that the bank bonus tax money will be spent on additional infrastructure, reversing child benefit cuts and paying down debt, and, I believe, seven other commitments. Will the right hon. Gentleman confirm whether those policies have now been dropped?

Mr Byrne: If the Minister wants a full breakdown of the costs, I will be happy to provide it for him; and if he wants me to support him in his negotiations with the Chancellor, I will be right by his side.

With that policy should come an acceleration of investment in capital infrastructure, as the CBI calls for today; a temporary cut in VAT to help families up and down the country; a one-year cut in VAT on home improvements; and a tax break for small firms that take on extra workers, especially young people, as proposed by the Federation of Small Businesses.

The whole country knows that this Government are failing our young people. This year, our country has seen one of the fastest ever increases in long-term youth unemployment. When the TUC, the CBI, the Prince's Trust and the Work Foundation are telling the Government to change course, surely it is time for them to act. Before the Minister for Universities and Science, the right hon. Member for Havant (Mr Willetts), was encumbered with the cares of office, he wrote a book about the baby boomers. In the introduction, he writes that

> "the charge is that the boomers have been guilty of a monumental failure to protect the interests of future generations".

The Secretary of State for Work and Pensions, who is not here today, is—believe me—a baby boomer. If he does not change course, and fast, he will stand before the House guilty as charged.

5.29 pm

The Minister of State, Department for Work and Pensions (Chris Grayling): I regard youth unemployment as one of the most difficult parts of the legacy left to us by the previous Labour Government. In 2010, at the time of the general election, 930,000 young people in this country were unemployed. When Labour left office, there were more young people not in education or employment than when it took office in 1997. Labour also left behind one of the most difficult sets of economic circumstances that any incoming Government have ever faced. Indeed, we do not need to use our own words to describe that; we remember clearly the words of the former Chief Secretary to the Treasury, the right hon. Member for Birmingham, Hodge Hill (Mr Byrne), who left a note behind saying, "There's no money left."

Mr Byrne: Will the Minister just remind the House what level youth unemployment stands at today? Will he confirm that it is the highest figure on record?

Chris Grayling: Actually, youth unemployment—genuine youth unemployment—is not at the highest level on record. When we exclude from the figures full-time students looking for part-time jobs, the level of youth unemployment today is not the highest on record. However, I regard any level of youth unemployment as unacceptable, and something that we should work to try to solve.

Karl Turner (Kingston upon Hull East) (Lab): In researching for this debate, I found an Office for National Statistics summary of labour market statistics. In one of the columns dealing with youth unemployment figures, under the heading "Last time higher", I found, in bold writing, the word "Never". That figure has never been higher.

Chris Grayling: When we exclude full-time students in colleges of higher and further education, the level of youth unemployment today is not the highest on record. I reiterate, however, that I regard any level of youth unemployment as unacceptable. It is a challenge and a priority for the Government. We have to remember that the problem goes back a decade. Youth unemployment started to rise in 2003-04, and it has been rising steadily since. Even in good years, the previous Government's policies failed to deliver solutions. Eighteen months ago, we inherited a series of failed programmes that had failed to deliver real solutions for young people, and we are trying to turn that round.

Robert Halfon: Does my right hon. Friend agree that part of the problem has been the failure of our primary schools over the past decade? Under the last Government, 500,000 children left primary school unable to read or write. Is that not part of the reason that we have a skills problem today?

Chris Grayling: My hon. Friend has highlighted one of the many challenges that the previous Government left behind for us. There was a total failure to equip young people for the workplace and for a working life, a failure in our education system and many other failures, not least of which was the disastrous economic inheritance. When the Labour Government left office, they were borrowing £1 in every £4 that they spent. Our first priority remains sorting out the challenges in our public finances. Does anyone seriously believe that, if we were in the same position as some other European countries in failing to deal with our deficit, business would want to invest in this country rather than cutting jobs and moving elsewhere? It is my clear view that, had we not taken action to deal with the deficit, unemployment would be higher than it is now, rather than lower.

Mr Byrne: Can the right hon. Gentleman just remind the House by how much the Government have had to revise upwards their borrowing forecast over the past few months?

Chris Grayling: The right hon. Gentleman talked about international challenges, but let me remind him that, three months ago, youth unemployment was falling and was below its level at the time of the election. He should also remember that we are now in the middle of the biggest financial crisis in the eurozone in decades, perhaps in modern times, and that our labour market is not immune to that. However, we are now turning round the set of failed programmes that existed under the previous Government and putting in place measures that will make a difference to the long-term unemployed.

Mark Simmonds (Boston and Skegness) (Con): Will my right hon. Friend confirm that containing, controlling and reducing the structural deficit is a prerequisite for economic growth and job creation?

Chris Grayling: It is my view that had we not taken those steps, interest rates would be higher, investment would be lower and unemployment would be higher than it is today. I know it is a point of difference between the two sides of the House, but Labour's alternative strategy would simply involve Britain borrowing more money. I do not understand how it is possible to solve a crisis created by too much borrowing by borrowing even more.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I welcome the Minister's acknowledgement that youth unemployment is to a large extent symptomatic of the fragility of the wider economy, but will he also acknowledge that the Government's approach to the wider economy is not working and is actually exacerbating youth unemployment?

Chris Grayling: I do not accept that. I shall briefly set out some of the measures we are taking on the broader economic front that will make a difference to unemployment.

The regional growth fund is now delivering investment to parts of the economy where the private sector is too small, and where we want to see private sector growth, and the research and development and investment in infrastructure that creates jobs. The introduction of enterprise zones in parts of the country where the private sector is weak will encourage businesses to grow and develop. The cut in corporation tax will deliver the lowest headline rate in the developed world. Those are examples of measures that will help to make Britain a better place to do business.

Heidi Alexander (Lewisham East) (Lab): The Minister talks about the regional growth fund and enterprise zones, but those words will mean little to young people in my constituency who have seen long-term youth unemployment rise by 192% over the past nine months. Can he tell me in plain English what he will do for those young people in Lewisham?

Chris Grayling: I can indeed, and I shall carefully go through the different measures we have taken to tackle the youth unemployment problem. It is also important to note that we are targeting investment and support on parts of the economy where we want private sector growth so that jobs can develop.

It is worth remembering that the previous Government fiddled the figures on youth unemployment; they claimed to have abolished it. When people moved on to the new deal, they had a period of work experience and were transferred to a training allowance, at which point they no longer showed up in the figures. By that mechanism people who remained out of work for long periods temporarily disappeared from the figures, so long-term youth unemployment was, according to the previous Government, "abolished." That was absolute nonsense.

Mr Sheerman: I have known the right hon. Gentleman for a long time, and he is a reasonable man. People outside this place want a positive initiative, to which we can bind other parties. They want an adventurous and innovative scheme to give young people the chance to get off the dole and into training and work. That is what we are waiting to hear. If the Minister comes up with a scheme like that tonight, we shall support him.

Chris Grayling: I shall be delighted to talk about some of the specific measures we are taking, but before I do that, let me address the issue about the future jobs fund. It had two key flaws. The first was that it was entirely in the public and voluntary sectors; it did not take young people into the private sector, where there has been employment growth over the last 12 months. That was a fundamental flaw. The other one, in a world where, as the right hon. Member for Birmingham, Hodge Hill said, there was no money left, was that the FJF was by far the most expensive scheme; it was four times as expensive per job outcome as the new deal for young people, and massively more expensive than previous schemes. We have developed a better package of support; it will be more effective and more cost-effective. Through the various schemes that I am about to explain, I estimate that we shall provide support for about 350,000 young unemployed people over the next two years, to make sure that nobody is left without the help they need to try to get themselves into work.

Mr Iain McKenzie (Inverclyde) (Lab): The Minister has referred to a number of issues about the future jobs fund. In Inverclyde, when I was council leader we were the second most effective constituency in using the fund, putting some 400 of our young people into employment, mostly in private sector jobs. In Inverclyde, we are putting our money where our mouth is; on our own backs, we are continuing the future jobs fund for a further year, with the target of putting 500 young people into jobs. The future jobs fund worked, and it is still working.

Chris Grayling: As the hon. Gentleman knows, this Administration believe in localism, and a local authority is free to do what it wants to support the unemployed. I welcome any local partnerships to deliver that. I would still say, however, that the reality is that the future jobs fund cost massively more than comparable schemes, and we believe that the package we put in place is more cost-effective and likely to deliver better success rates.

Mr Byrne *rose—*

Chris Grayling: I shall give way once more to the shadow Minister, but then I am going to make some progress in explaining what we are doing.

Mr Byrne: If the right hon. Gentleman believes the future jobs fund was too expensive, is he by implication saying that he is prepared to see youth unemployment go up, because that is what has happened since the election, after which he abolished the programmes? Is he saying that youth unemployment is basically a price worth paying?

Chris Grayling: One reason this country is in its financial predicament is that the previous Government did not understand value for money. They believed in throwing money at a problem, not trying to do the most cost-effective thing. That is one reason for the right hon. Gentleman leaving that note behind, saying, "No money left".

Neil Carmichael (Stroud) (Con): One of the key things I believe is important is rebalancing the economy towards manufacturing and engineering, which focuses,

[Neil Carmichael]

of course, on the private sector to make sure that it provides jobs. I see evidence of that happening in my constituency. Does the Minister agree that that kind of initiative is critical to ensuring that we deal with youth unemployment?

Chris Grayling: I absolutely agree with my hon. Friend. One of the failures of the previous Government arises when we talk to engineering firms that want to recruit young engineers and cannot find them. I think that the previous Government's skills strategy was fundamentally misplaced. That is why the work being done by the Minister for Further Education, Skills and Lifelong Learning, who is in his place beside me, is so important.

Robert Halfon: Talking about the future jobs fund, although it created 90,000 jobs, almost half of the people involved were back on the dole seven months later.

Chris Grayling: What the future jobs fund did not do for many young people was provide a clear pathway into long-term employment. As to apprenticeships—my hon. Friend the Minister for Further Education, Skills and Lifelong Learning, too, will talk about them later—we believe that they are a better strategy.

There are three elements to the work we are doing for our young unemployed people. The first is helping those who have been unemployed for a shorter period of time to overcome that classic challenge—"If you haven't got the experience, you can't get a job, but you can't get the experience unless you have got a job." What we have done is launch our work experience scheme and its sister scheme alongside it—sector-based work academies. We launched those in the spring. Figures published this morning show that more than 50% of the young people who go through the work experience scheme are off benefits within a month of it finishing—at a cost that is a tiny fraction of the amounts spent on previous programmes.

Employers and Jobcentre Plus are working together around the country in a way that is hugely positive to deliver real opportunities for young people to get their first steps in the workplace—and it is making a real difference. I am confident that as we come forward and expand the sector-based work academies with a mix of training and work experience, we will see a similar result. That is a very good start for the scheme.

Richard Harrington (Watford) (Con): Will my right hon. Friend inform me why the shadow Minister, the right hon. Member for Birmingham, Hodge Hill (Mr Byrne) should be laughing at such a scheme, when I have seen it working in my constituency? I would say that substantially more than 50% of people involved with it have got into real jobs.

Chris Grayling: My hon. Friend is right; I am baffled as well. This is working far better than we expected and provides a significant piece of evidence to show that if we can get a young person into the workplace quickly to get them their initial experience, it can make a real difference. I am proud of what that scheme has achieved, and I would like to pay tribute to members of the Jobcentre Plus team up and down the country who are working with employers to find those work experience opportunities.

I had occasion a couple of weeks ago to meet a group of young people who are actively looking to try to get work experience opportunities because they believe it is a real route for young people to get into employment. We are now working with that campaign to make sure we help all the young people involved to get work experience opportunities. We are, as I say, a Department providing work experience opportunities to a large number of young people, and I believe this is an important ingredient of the support we provide to those who have just entered the labour market, who are trying to get into work after a short period out of work, to make a difference for that group.

Mr Graham Stuart: Does my right hon. Friend agree that a generation of young people were betrayed by vocational qualifications that were inappropriate, as the Wolf report indicated earlier this year? It is ironic to see the shadow Chancellor of the Exchequer among the Front-Bench team, because when he came before the Select Committee, which used to be chaired by the hon. Member for Huddersfield (Mr Sheerman), he refused to listen when he was told again and again that the diploma was going to be a hugely expensive mistake. He refused to listen, spent millions of pounds of public money and let down young people with a diploma programme that was not fit for purpose.

Chris Grayling: My hon. Friend has made a good point. To be honest, I do not know why any of us listens to this lot. They were a disaster in Government, and the country is well rid of them. What we are trying to do now is repair the damage caused by 13 years of mismanagement.

Dr William McCrea (South Antrim) (DUP): Will the Minister give way?

Chris Grayling: I want to make a bit progress first.

Let me now deal with the second element of our strategy: how we will deal with long-term youth unemployment, a problem that has become much more acute now that we have stopped massaging the figures and hiding the real picture. I believe that the Work programme will make a real difference to those young people. It has been up and running for four months—

Sheila Gilmore (Edinburgh East) (Lab): Will the Minister give way?

Chris Grayling: I think that the programme is doing good work. I have visited providers throughout the country—

Sheila Gilmore: Will the Minister give way?

Chris Grayling: I extend an invitation to Members on both sides of the House to visit their local Work programme providers. They can contact my office if necessary to arrange the introduction. I think that they will be impressed by the work that is being done.

Sheila Gilmore: Will the Minister give way?

Chris Grayling: We will publish details of what is happening in due course, but I can tell the House now that more people have been referred to the Work programme than we originally projected, that it is growing fast, and that a large number of providers are having a great deal of success in getting people into work.

Sheila Gilmore: Will the Minister give way?

Chris Grayling: I pay tribute to one of our providers, EOS in the west midlands, which has just achieved its 1,000th job placement. I congratulate all its staff on their success—

Mr Byrne *rose—*

Chris Grayling: I hope that the right hon. Gentleman will visit them.

Mr Byrne: I should love to do so, and when I do I shall ask EOS for its performance statistics, because I understand that the Minister has banned their publication. If he is so confident about the performance of the Work programme, he should tell the House what it is delivering.

Chris Grayling: The right hon. Gentleman is, classically, trying to have it both ways. On one hand he tells me off about national statistics, and on the other he tells me off for not obeying the rules on national statistics. What does he want? These are national statistics, and they will be published in line with national statistics rules. He will just have to wait.

What I will say now is that so far I am encouraged by the progress that is being made. All of us—Members in all parts of the House—need the Work programme to work and to make a difference for the long-term unemployed, and I am confident that it will do that. For the first time we are giving the providers genuine professional freedom to do what works for our young people, and I believe that if we trust the professionals and do not tell them what to do, as the last Government did, we are much more likely to be successful.

Neil Carmichael: I thank my right hon. Friend for giving way a second time. This time I want to emphasise the importance of a proper interface between the education and business sectors, providing experienced, professional contact, so that people understand that they are receiving the kind of education that will lead them into jobs.

Chris Grayling: Absolutely. The Department for Education is working hard to remedy the failings of our schools system in partnership with my hon. Friend the Minister for Further Education, Skills and Lifelong Learning, who is working with the FE sector to try to deliver a much better quality of vocational education. That, along with the partnership that now exists between my Department and the Department for Business, Innovation and Skills, will ensure that the unemployed are presented with a genuinely joined-up offer of an opportunity to obtain the skills that they need, and it represents a real step change from what we saw in the past.

The third element of the support—

Sheila Gilmore: Will the Minister give way?

Chris Grayling: I will.

Sheila Gilmore: I am obliged to the Minister for finally noticing me.

Is it not the Minister himself who is trying to have the question of the Work programme both ways? He does not want to publish figures on a national basis, but when he chooses, he will use figures plucked from we know not where to prove that the programme is working. Can he explain exactly how a work programme ever creates any jobs?

Chris Grayling: The point of the Work programme is very straightforward. We have a team of organisations throughout the country helping people to get into work. We pay them if they succeed. Fortunately, they seem to be making a good start. In due course, when I can do so, under national statistics rules, I will publish information for the benefit of the whole House. I want to expose to the whole market who is doing well and who is doing less well, so that there is competitive pressure on organisations to become the lead provider. I will publish those figures as soon as I can according to national statistics rules, and as soon as the programme has been going long enough for them to be reliable.

The third point—

Sarah Newton (Truro and Falmouth) (Con): Will my right hon. Friend give way?

Chris Grayling: I will give way once more, and then I must make some progress and wind up my speech.

Sarah Newton: I am grateful to my right hon. Friend, who has been very generous in giving way. Does he agree that this is all about local partnerships? Organisations such as Cornwall Works will help the 105 young people in my constituency who have been unemployed for more than six months to get back to work. Those young people will benefit from the new apprenticeships created in my constituency in the last year—more than 660. Local partnerships enable such people to find real jobs with real employers.

Chris Grayling: Local partnerships are immensely important, and now the Work programme providers have complete freedom to forge partnerships that will make a genuine difference.

The third element of our strategy is apprenticeships. Over the past 12 months, we have launched 100,000 new apprenticeships. I believe that more apprenticeships are now available in this country than ever before. We have many apprenticeships that are targeted at young people. The previous Government's track record on apprenticeships was, as usual, full of rhetoric but lacking in delivery. They repeatedly made promises for an overall number of apprenticeships, and they repeatedly failed to deliver what they promised. We are hitting targets for apprenticeships. That is the first time in a long time that that has happened, and I pay tribute to my hon. Friend the Minister for Further Education, Skills and Lifelong Learning for that.

Ian Austin (Dudley North) (Lab): How many of these apprenticeships are reserved for 18 to 24-year-olds?

Chris Grayling: In the Budget, we announced an additional 40,000 apprenticeships targeted at the young unemployed, and the overall number of young people under the age of 24 on apprenticeships is greater than

[Chris Grayling]

the total number of apprenticeships that were available under the previous Government. My hon. Friend will walk us through the details of that when he concludes the debate; this is very much his baby, and he should take credit for what he has achieved.

I might also mention the support we are providing for the short-term young unemployed through the work experience scheme, our sector-based work academies and the work being done through Jobcentre Plus. The Work programme is the biggest ever welfare-to-work programme of its kind in the country. We have the biggest payment-by-results scheme in the world, offering tailored, personalised support to help young people actually get into work right now. There is the opportunity to move through into an apprenticeship, which is an appropriate path into work for many young people. Never before has this scale of apprenticeships been provided in this country.

I believe these measures represent a coherent strategy to deal with a problem that was left behind by the previous Government, and that has been made more challenging by a difficult set of international circumstances. Unlike the previous Government with their failures, we are determined to tackle this problem, and to succeed.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. Many Members wish to speak. The winding-up speeches will start at 6.40 pm, so there is not a lot of time. Although there is a four-minute limit on speeches, I ask Members to speak more briefly than that if they can do so. I also ask Members to show restraint in making interventions, so as to avoid doing others out of an opportunity to speak.

5.52 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): We are having a debate about the economic situation and its impacts on young people. My constituency has felt the chill winds disproportionately, as has the constituency of my right hon. Friend the Member for Birmingham, Hodge Hill (Mr Byrne). My local authority, Sandwell, has the third highest rate of youth unemployment in the country. We also endured high youth unemployment under the previous Conservative Government. The Labour Government made substantial inroads, but the problem is now back with a vengeance.

On the general economic situation, some of the Government's measures are aggravating the problems, which are a by-product of our poor economic performance. The higher education proposals, for instance, will disincentivise young people from low-income, low-aspiration backgrounds from entering higher education, and there is a great danger that young people from areas such as mine will look to take an alternative route, such as vocational training and apprenticeships. That is not in itself bad, and it may well be of great benefit to the economy, but the cohort of young people who previously would have gone into apprenticeships and training will find that they have nowhere to go. That is already being reflected in the increase in the number of NEETs in the country as a whole, and certainly in my area.

The Government trumpet the progress made on apprenticeships, and I welcome apprenticeships, as they are potentially of enormous benefit. However, the fact remains that the greatest increase in apprenticeships, as of this moment, is in the post-24 age group, and there is a suspicion that this is just a rebadging of the old Train to Gain scheme. In addition, the headline figures do not take into account the number of short apprenticeships—these are not the two or three-year courses that we commonly think of as apprenticeships which will enable people to go into work. My Committee will be undertaking an inquiry into this in the new year, and I hope to be able to drill down to find out exactly what the situation is.

Mr Hayes: I am sorry to have to intervene, because I know that time is short. Let me assure the hon. Gentleman that I take his work seriously in that regard and that we, like him, are determined to see apprenticeships of the right quality and to see bureaucracy cut so that more firms can be involved. He is right to say that apprenticeships matter, but the brand matters too and we are as committed to quality as he is.

Mr Bailey: I welcome the words of the Minister, whose commitment to this cause I would not doubt for a moment. I am sure that we will have an extremely enlightening inquiry in the new year.

I shall highlight two measures that would cost the Government very little but would help. First, they should continue the funding for the graduate internship scheme—these are funded internships for graduates in small businesses. This has proved to be of enormous benefit to small businesses and to the graduates, and the total cost to the Government would be about £8 million. Given that this is a win-win situation—it helps the small businesses and graduates, and the cost would be lower than that of keeping them unemployed—I would have thought it was an obvious thing to continue. Also it sends messages to young people thinking of going to university that there is career progression after graduation. In the context of the highest level of graduate unemployment since 1992, that is a very important thing for the Government to do.

Secondly, small businesses are crying out for a financial incentive to encourage them to employ young people. The Government have introduced national insurance breaks. The existing scheme has not been very successful, and there is £850 million allocated for it. It should be broadened to existing businesses or, as the CBI says, a possible cash payment should be established for companies that take on young people and give them meaningful employment. These are not the words of tax-and-spend merchants; they are coming from the Federation of Small Businesses and the CBI—the authentic voice of the business community. If the Government do that, without great cost, it could make an impact on youth unemployment.

5.57 pm

Nigel Adams (Selby and Ainsty) (Con): I speak as someone who knows what it is like to have been made redundant, and I have also seen my father lose his job in his 50s. I can tell hon. Members that there are not many things worse than when a breadwinner comes back home to his family to tell them that he is out of work and there is no income. I also recall that as a 17-year-old I was asked, somewhat prematurely, to leave school, and I found myself having to look for work. My first job was not the one that I would have ideally wanted, but it was work and it provided my first wage—£48 a week, as I recall it. Getting a start is crucial for young people and I always tell the youngsters I talk to that being in the workplace is much better than not being in work at all, because they have to get something on their CV.

It is easy to go for the headlines and talk down our economy, but I would like to take a moment to talk up this Government's efforts to improve youth employment chances, not just through job creation, but through their support of the apprenticeship scheme programme. Just over two months ago, the Minister for Further Education, Skills and Lifelong Learning announced cuts to bureaucracy to encourage employers to take on a large number of apprentices, and this serves as a proven way to fill the skills gap in our economy. As someone who has owned and run businesses, and actually created employment before entering this House, I am all too aware of the damage caused by excessive red tape and bureaucracy. It is vital that we reduce regulation in order to encourage businesses to employ youngsters. I am pleased that the Government have set about tackling this via the red tape challenge.

Meg Hillier: Will the hon. Gentleman give way?

Nigel Adams: I would love to but I need to crack on; we have only got four minutes each.

This Government also promised 50,000 extra apprenticeships in 2010-11, but the figure has been surpassed and we have seen a record year—an increase of over 50%. In fact, in my constituency 850 people are on apprenticeships, an increase of 67% in the last year. Only by proving to business and the private sector that it is worth their while investing in youngsters can we fulfil our long-term goal of reducing unemployment, and I am confident that, via apprenticeships, we are taking the right steps towards that aim.

Hon. Members can do more than their bit to help young people and others back into work. That is why I organised a jobs fair in my constituency, and I know that many of my colleagues have done something similar. More than 1,100 jobseekers came through the door—both unemployed, and employed but looking for new opportunities. It was evident to me at my jobs fair that vacancy statistics from Jobcentre Plus do not necessarily reflect the actual climate. Its figures for October 2011, published in the Library, would have people believe that at least three jobseekers apply for every vacancy advertised in my constituency—a deficit of employment. However, many of the work and training opportunities offered by the 52 different organisations that turned up to my jobs fair were not advertised in the Jobcentre Plus system, and never are. I am also pleased to say that the feedback from the jobs fair was very positive, and lots of people have received interviews and job opportunities and have started work. Indeed, I have visited some of the youngsters who have started work.

I am confident that the Government have a credible plan for getting this country's finances back on track, reassuring businesses and reducing regulation. Labour should take note that—

Mr Deputy Speaker (Mr Nigel Evans): Order.

6.2 pm

Pat Glass (North West Durham) (Lab): I had prepared something long and detailed, but I will keep my remarks brief because I want to let other Members speak.

When I made my maiden speech in May 2010, I spoke about unemployment, particularly youth unemployment, in my constituency; and when I checked my predecessor's maiden speech, made in 1987, I discovered that she, too, spoke about unemployment in the north-east and North West Durham.

Mr Hayes: I remember that.

Pat Glass: I thank the hon. Gentleman for that. Anyone looking at those two speeches could be forgiven for thinking that this is a deeply entrenched problem that cannot be dealt with, but actually, that is not true. Between 1997 and 2010, North West Durham, like most of the post-industrial north, underwent an economic and social revolution, with the support of the previous Government, but it is amazing how quickly the clock has turned back to the 1980s. Under a previous Conservative Government, male unemployment in Consett, in my constituency, reached 100%. Can people now imagine what it is like to live in a place with 100% male unemployment?

Youth unemployment in my constituency has doubled in the last 12 months and now stands at 35%. Unemployment generally has increased by 20%, and it is a direct result of Government policies. The Prime Minister tells us that we need to rebalance the economy from the south to the north and from the public sector to the private sector, so that, as public sector jobs disappear, they are replaced by private sector jobs. We would all agree with that, but in my constituency, full-time relatively well-paid public sector jobs are disappearing at a rate of knots and are being replaced by very few part-time, poorly paid jobs.

If the Government are serious about delivering on unemployment in places such as the north-east, they need to be serious about a growth strategy. We do not need enterprise zones and short-term grants. We have had those before and they do not stay: as soon as the grants run out, the jobs disappear and everybody runs back to the south-east. We need instead proper infrastructure investment, so that private companies are attracted to the area and stay. That means investment in roads and rail, airports and broadband. Some 46% of my constituency is a broadband blackspot.

We need investment in skills. Nissan came to the north-east not because of the grants but because of the skills that were there when the shipyards and the steelworks closed down. We need investment in a growth strategy for the regions. But what have the Government done? They have cut public expenditure for infrastructure and jobs, and cut investment in skills. The abolition of the EMA has led directly to falls in participation rates at 16 to levels that we have not seen since the 1990s, and the tripling of tuition fees has led to a 12% reduction in university applications this year.

Young people are having a hard time from this Government and it is due not only to the abolition of the EMA and the rise in tuition fees, but to the cuts in home-to-school transport, home-to-college transport, careers services, youth services and local bus services.

[Pat Glass]

Young people are becoming more cynical now than they have ever been about politics and the role of the Government. I am pleading with the Government now to listen to the suffering out there and start putting in place a proper plan for growth and jobs for young people.

6.5 pm

Paul Maynard (Blackpool North and Cleveleys) (Con): It is a great pleasure to be called to speak in this important debate. I know the Opposition like to make their Wednesday afternoons political theatre, but there are many people on the Government Benches who are concerned about youth unemployment and have ideas about how the situation can be improved.

As the MP for Blackpool North and Cleveleys, I represent the fourth most deprived Conservative-held seat in the country. That is no badge of honour. It is with no sense of satisfaction that I report that year on year youth unemployment has risen 36% since September 2010. I take no pleasure from the fact that even on the figures that were fed to *The Times* by the Labour party, the number of long-term youth unemployed has risen from 75 individuals to 100 individuals since May 2010, but I point out to Labour Members, as they seem to have failed to understand earlier, that there are 276 constituencies where youth unemployment has fallen or remained static since May 2010, according to the same figures as they obtained from the House of Commons Library.

I am sure that everyone who speaks in the debate will say that apprenticeships matter, and they matter to me. I have taken on one apprentice, Nathan, in my constituency office, and he is excellent. Many on the Government Benches have done the same, but we in the House obviously cannot solve the problem alone. I am delighted that, thanks to what the Government have been doing, the number of apprenticeships in my constituency has risen from 300 to 940.

Meg Hillier: All hon. Members would agree that apprenticeships are a good thing and that we want more of them, but what would the hon. Gentleman say about the issue that I have picked up on on doorsteps throughout the country, which is that young people with A-levels, and sometimes with degrees, are going for apprenticeships that would normally have been available to young people with lower levels of qualifications, thereby pricing them, so to speak, out of the market? Does he share my concern about that and will he raise the issue with Ministers in his Government?

Paul Maynard: I am grateful to the hon. Lady for raising that issue. It brings together a number of points that Members are likely to make this evening. First, we should welcome the fact that better qualified individuals are now seeking apprenticeships. We should not say that apprenticeships are only for those who are not academically inclined. Secondly, the Labour party now disapproves of older people seeking to take on apprenticeships. It was a Labour Government who commissioned the Leitch review, which wanted to see more older people going into apprenticeships.

I represent a seaside town. I know the right hon. Member for Birmingham, Hodge Hill (Mr Byrne) does not understand the economics of seaside towns, so I shall try to explain to him that one of our fundamental problems, as the hon. Member for Hartlepool (Mr Wright) pointed out in *The Guardian* interview that I saw in the debate pack, is that of generational worklessness and the potential for generational exodus, even—people not finding opportunities in seaside towns and having to leave.

For members of the third generation who do not have a job and cannot find a job, the inclination to go out and look for a job, and even seeing that part of their life involves going out to work, is lost. Part of the solution is getting the older generation into apprenticeships and into work as much as the younger generation. That is why, as my hon. Friend the Member for Brigg and Goole (Andrew Percy) tried to make clear, the problem did not start in May 2010. It did not start even in May 1997 or May 1979. There has been a gradual structural problem of worklessness, particularly in post-industrial societies. Tourism and hospitality are not like coal mining or the steel industry, but they have none the less gone through a period of decline in my constituency and we have seen employment and opportunities fall as a consequence, so there is a challenge.

The shadow Secretary of State mentioned the Prince's Trust, which does a fantastic job in my constituency. Three times a year it takes a group of 12 young people from deprived backgrounds. I have been to one of the thank you parties at the end of a session and heard the powerful tales of how they got into the situations they found themselves in. Many brought their problems to Blackpool from outside the town. Many came from broken homes, broken families and disappointed backgrounds, yet they have struggled and managed to succeed.

What frustrates me about the debate is not so much the usual political to and fro, the misuse of statistics and Members trying to portray things as good or bad, but the Labour party's failure to understand that this is not about who is to blame. It is about trying to understand why worklessness occurs in our society, why young people are unable to enter employment and what we need to do to get them there. The Government are making progress. I would of course like it to be faster, but we are putting the building blocks in place and I welcome that.

6.11 pm

Derek Twigg (Halton) (Lab): There could hardly be an issue of greater importance to my constituents in these challenging economic times than jobs and security for their families. Almost every day I hear about the consequences of unemployment and poverty in my constituency. It is not just about people losing their jobs; it is about people losing their homes or worrying about keeping their homes and the resulting stresses on family life.

Youth unemployment is a major concern in my constituency. Nationally it is at an 18-year high, at 991,000, with long-term youth unemployment up by almost two thirds this January and by a staggering four fifths in Halton. We are again seeing the familiar face of Conservative Governments: mass unemployment, people being thrown on the scrapheap and young people hit particularly hard. To put things in context, back in 1993, in the twilight of the miserable 18 years of Conservative rule, youth unemployment in Halton stood at a massive 22.7%, and it was almost 27% in the autumn of 1985. For most of the early 1990s the rate remained stubbornly above 20%, even as late as 1996, well after the last recession.

Under the Labour Government youth unemployment in Halton was mostly below 10%, which was not good enough, but it was still a lot less than it had been under the previous Conservative Government, and at times it fell as low as 4%. Of course, any youth unemployment is unacceptable, but comparing what the previous Tory Government and the current Tory Government have done shows the natural progression and where they are going. Their economic policy is failing and hurting. It is clearly not working because the Office for Budget Responsibility has forecast that the Government will borrow an extra £46 billion over the next year. As the Business Secretary said on 15 March:

> "Cuts without economic growth will not deal with the deficit."

The motion before us also refers to the International Monetary Fund's concerns about the Government's approach. A few weeks ago I met some young people in Runcorn who were on a training scheme to get jobs in the construction industry, which is massively difficult to get into. They were desperate to get work, but they want the confidence that there will be jobs for them. I regularly meet young people who want to work and get those skills. Only last Sunday I met members of the Halton Youth Parliament in Runcorn, who told me that one of their biggest problems is transport. When they are looking for a job or training or a college place, being able to get there is vital. The Government's cuts to transport, particularly bus transport, have been very hard for my constituency.

There is of course concern about the banks, which should be doing more. I strongly support our proposal for a £2 billion bankers' bonus tax, which would fund work for 100,000 jobs and allow every small firm taking on extra workers a one-year break from national insurance contributions. The banks should be doing more to help the unemployed, particularly young people. I have twice raised concerns about bank lending to small businesses with the Chancellor on the Floor of the House, and he is looking again at what more can be done. We shall see about that, but there must be a recognition that not enough is happening and that the policy is failing. He has to do more to help young people who are unemployed. It is important that we make it clear that we must have a growth strategy.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): Will my hon. Friend give way?

Derek Twigg: I will not, because I have very little time remaining.

Finally, in my constituency we have done a great deal of work with the local authority and local businesses, with the help of the previous Government, to bring forward important projects, such as the Mersey multi-modal gateway, the new Mersey gateway bridge, the Daresbury science and innovation campus and a number of other important projects. Some of those are supported by the Government, but they were developed under the previous Government, which had a growth policy to encourage jobs in areas of high unemployment that need development and need to see—

Mr Deputy Speaker (Mr Nigel Evans): Order. I call Lorely Burt.

6.15 pm

Lorely Burt (Solihull) (LD): I shall be very brief. There is not enough time to cover everything mentioned in the motion, so I will avoid the usual political knockabout in the first part of the motion, which is the Labour narrative about how we got into this economic situation. Those arguments are well rehearsed. What matters is not how we got here, but how we get out. I agree with some of the suggestions the Opposition have made. I have long campaigned for a 5% VAT rate on home renovation materials and have asked the industry to analyse the cost-effectiveness of that proposal.

Mark Lazarowicz: Will the hon. Lady give way?

Lorely Burt: I will not, if the hon. Gentleman will forgive me.

I agree that we could work up a programme to give national insurance relief to small companies taking on new workers, maybe even in the form of a rebate after the first complete year of employment. I have got lots of other ideas, which I hope colleagues in the Treasury will consider. Again, I agree with the Opposition: we need more incentives to stimulate private business to rev up the engine of growth.

It all boils down to growth, but it must be growth in the private sector, not growth led by creating jobs that do not exist, which is what one could argue the future jobs fund did. The Minister has outlined all the steps we are taking to create jobs and prosperity. The motion says only two things about youth unemployment: that long-term youth unemployment is up, and that we should not have scrapped the future jobs fund. Well, youth unemployment is up, but it grew under Labour by 40%—going from 664,000 unemployed 16 to 24-year-olds in May 1997 to 924,000 in May 2010. According to the latest statistics, that figure is 991,000. I hope that a Labour Member will intervene to explain to me how that equates to a 68% increase because, according to my mathematics, that seems more like 7%.

Meg Hillier: I thank the hon. Lady for giving way, especially given that time is short. Does she not agree that, out in the real world, people do not want the bickering. What they are concerned about, as we should be, is that an entire cohort—for example, graduates—is experiencing a higher rate of unemployment. We should be addressing the whole cohort issue, because we are condemning an entire group of young people to lower incomes and worse life chances as a result of Government policies.

Lorely Burt: I am sure we agree on the seriousness of the situation and all the different groups of young people who are affected. Unfortunately, the hon. Lady did not answer my question, but never mind.

Rachel Reeves (Leeds West) (Lab): Will the hon. Lady give way?

Lorely Burt: I am sorry, but I will not give way.

Dealing with youth unemployment is incredibly hard, but the Opposition should not make political capital out of a relatively small increase in existing figures that are a legacy of their own figures.

Rachel Reeves: Will the hon. Lady give way?

Lorely Burt: I have only two minutes. I am very sorry. The future jobs fund was well intentioned, but ineffective and expensive. It created new positions that were not, by definition, real jobs. It was so ineffective, in fact, that young people who were not on the programme fared better in getting real employment than those who were. It cost more than it saved, and failed to accomplish its targets. Now the Opposition are also calling for a bank levy to raise funds for a youth jobs fund. However, we have already introduced a bank levy, and it raises more each year than they managed to raise with their bankers' bonus tax.

So what have we done for young unemployed people? We have concentrated on apprenticeships and getting people into real jobs. We have exceeded the targets in our apprenticeship scheme, with the provisional figures showing that the number of apprenticeships has grown by 58% across the UK and some areas showing growth of 198%. Perhaps the right hon. Member for Birmingham, Hodge Hill (Mr Byrne) would like to welcome the 82% rise in apprenticeships in his constituency. The Work programme is designed to ensure that people can get out of a cycle of benefits and get back into work that pays. The jury is still out on the Work programme, but I am really hopeful that the work of specialist agencies, using their skills to find jobs for long-term unemployed individuals, will bear fruit.

I welcome the fact that Labour Members are bringing ideas to the table. As I said, I agree with some of them, but not all. We will listen and we will work with all colleagues in this House for a more prosperous future for all our constituents.

6.20 pm

Mr Iain Wright (Hartlepool) (Lab): Youth unemployment is the single biggest social and economic problem facing my constituency, and its effects will leave a scar on Hartlepool's prospects for decades to come. My town has the dubious and unwanted distinction of having the worst youth unemployment in the country: 1,450 young people in Hartlepool—17.4%, or nearly one in five—do not have a job. We have not seen such levels of youth unemployment in my town since 1995. What is particularly worrying is that in my constituency unemployment is rising fastest among young people, and rising much faster than the regional or national average. Since this Government came to office 18 months ago, youth unemployment in Hartlepool has increased by some 60%, and it has been increasing fastest in the past six months.

Alex Cunningham (Stockton North) (Lab): I am grateful to my fellow Teesside MP for giving way. Does he remember when Middlesbrough football fans used to chant, "There's only one job on Teesside", in celebration of Joseph-Désiré Job, who played for the club? That is no longer very funny, because young people might be under the impression that it is actually true as hundreds of them chase every single job opportunity on Teesside.

Mr Wright: As a proud Hartlepool United season ticket holder, I will never celebrate the achievements of Middlesbrough football club, but my hon. Friend is right to say that we have been here before.

When I was growing up in the 1980s, the spectre of unemployment haunted my constituency. The de-industrialisation of this country in the 1980s hit my region hard. In the recession of 1979 to 1981, an astonishing 20,000 jobs were lost in my constituency as shipyards, steelworks and heavy engineering firms closed their doors. In many respects, Hartlepool and the wider north-east is still, in 2011, adjusting to the huge economic shocks of the 1980s and 1990s. I suggest that the Government need to learn the lessons of history and acknowledge the problem that youth unemployment creates. They need to act decisively to ensure that the young people facing a bleak future are not abandoned permanently and that Hartlepool does not see once again, as we did in the 1980s, a lost and forgotten generation.

We all know that the longer a person is out of work, the harder it is for them to gain employment. Young people are hit particularly hard in this regard. They cannot get a job because they have not got experience, but they cannot get experience because they have not got a job. It does not have to be like this. The future jobs fund was a particular success in my constituency, helping more than 720 young people in Hartlepool to get a foot on the career ladder and providing them with tangible help and support into employment.

In contrast, we now have a Government stripping out demand in the economy and a Chancellor who is changing his growth forecasts more often than he changes his socks and neglecting the talent, potential and passion of the next generation. I urge the Government to change course—not to concentrate solely on deficit reduction to the exclusion of everything else, but to have a more sophisticated and holistic economic policy based on stimulating demand for our economy, providing a framework to make Britain the best place on the planet to do business and, crucially, providing good future prospects for our young people. Other nations are doing this. Germany now has a lower jobless rate in general and among young people than it did at the start of the financial crisis. It has achieved that through greater emphasis on infrastructure spending, ensuring that its economy will be more productive and efficient in future; and providing job subsidies, ensuring that its work force, particularly its young people, remain job-ready and equipped with the skills needed in the 21st century.

In my lifetime, in the 1980s, a Conservative Government abandoned a whole generation in my constituency. The rationale behind this was that such unemployment was a price worth paying. I implore the Government please not to make the same costly mistakes again.

6.24 pm

Guto Bebb (Aberconwy) (Con): My hon. Friend the Minister said that he believes strongly in localism, and so do I. However, having suffered under a Labour-led or Labour Administration in Cardiff for the past 12 years, it is sometimes difficult to keep supporting the idea of localism.

Since 2000, the level of Welsh GDP in comparison with the European average has fallen from 68.6% to 64.4%. At the same time, between 2000 and 2010, the proportion of young people aged 16 to 24 in Wales who are unemployed increased from 15.8% to 21.5%. The sad fact about this debate is that Opposition Members simply do not recognise that a failing economic performance is related to a failure to create jobs for young people.

Wales has had support from Europe on a regular basis because of the failure of the policies adopted by the Labour party in Wales. Such is the failure of the Labour Government in Wales to put together policies that make a difference that Wales is one of only eight regions out of 66 in Europe that have qualified for objective 1 funding to see its prosperity decline. To put that in context, over the past 10 years under Labour, Wales has gone backwards while even the Greeks have gone forward. That is the reality of living under Labour. I support localism, but in Wales we suffer for it.

We cannot divorce this debate from education, skills and training for young people. Recently, there was evidence from the largest inward investor in the south Wales valleys over the past five years that less than 20% of the young people who were referred for job interviews—not for high-level jobs, but for comparatively low-level jobs—had adequate skills in reading, writing and arithmetic, and, more importantly, adequate social skills. Is that a surprise when the Labour Government in Cardiff have deliberately decided to spend £600 per head less than England on educating young people? That is the reality of Labour.

We must take on board the need to create economic growth and prosperity. Jobs for young people will not appear in isolation. Opportunities for young people will come as a result of economic growth and success—something we desperately need. That is why it is crucial that we pay tribute to this Government for taking the issue seriously. The Work programme, which has been mocked by Opposition Members, will ensure that payments are made on the basis of performance. That is a move in the right direction. It means that people will have to be in position for 12, 18 or 24 months before payments are made. That is a sign of confidence in the ability of the programme to get people into private employment.

Mr Byrne: I am following the hon. Gentleman's argument with care. Will he tell the House how he thinks the programme is going in his constituency, because long-term youth unemployment is up by 100%?

Guto Bebb: The shadow Secretary of State again makes the mistake of making a short-term point about unemployment in my constituency, without reference to the fact that the biggest employer in my constituency is the tourism industry, which is seasonal. As he wants to make an issue of youth unemployment in my constituency, it is worth pointing out that we have literally hundreds of people working in hotels, guesthouses and other tourism-related businesses there who are hard-working, successful and moving on. The sad fact is that a huge number of them are from eastern Europe. Those people have grasped their opportunity, but that opportunity has not been available to young people from my constituency because of the welfare state created by the Labour party, which is more interested in throwing money at a problem than solving it.

Mr Byrne *rose—*

Guto Bebb: I will not take another intervention, because it would be unfair to my colleagues.

The Labour party has created a dependency culture, rather than a culture of can-do and change. As my hon. Friend the Member for Selby and Ainsty (Nigel Adams) made clear, young people should have the opportunity to take a job and to develop in that position. The Labour party's policies have ensured that those jobs are not available. Many young people in my constituency have families and responsibilities, but because of the welfare system developed by the Labour party over 13 years, they are often better off not taking a job. The biggest change that the coalition Government are making is to ensure that when people take employment, they are better off. It is unacceptable that the Labour party believes that throwing money at people and allowing them to do nothing is more effective than changing the way we live and giving people the opportunity to make something of themselves in employment.

6.29 pm

Ian Lavery (Wansbeck) (Lab): May I say at the outset that I am disappointed that we have had only two hours to discuss youth unemployment and jobs, which is one of the most important issues in this country at the moment? I will use my four minutes to try to expose the myth that we are all in this together. Before the election, the now Prime Minister said that the north-east would be hit hardest and first, and that the public sector there was too big. What an absolute disgrace! It was an insult to everyone in the region, and what is more, only this week a report by the Institute for Public Policy Research North think-tank stated that 32,000 public sector jobs have been lost in the north-east so far this Parliament, yet 24,000 public sector jobs are being created in the south-east of England and 8,000 in London. Where is the fairness in all this? How are we in this together? It is not right. Why is the north-east continually hammered by this coalition Government?

Richard Graham (Gloucester) (Con) *rose—*

Ian Lavery: Excuse me, but the hon. Gentleman has just come in. There are people who have been in here for ages.

In my constituency, 20.7% of young people are not in education, employment or training. It was once a thriving mining community, but we now have unemployment levels of 7.7%. Over the past five years, there has been a 67% increase in the number of jobseeker's allowance applications, and over the past 12 months, a 19.8% increase. The number of applications from those aged 24 and under has increased by 34% in 12 months. It is an absolute disgrace.

The most horrendous statistic is that for every job vacancy in Wansbeck, there are 9.6 applicants. The jobs are not there for people. It is unacceptable, and we cannot continue to treat people like this. It has been said on numerous occasions, "Is this a price worth paying?" Do people believe that youth unemployment is a price worth paying? It is not. The lack of jobs and opportunities will see this country decline in the future. Young people should be seen as our future doctors, business men and women, nurses, firefighters, teachers, soldiers, sailors and council workers. We should treat them with a little decorum.

Mark Lazarowicz: My hon. Friend is right to point out what our young people should be able to expect from the future, but is not the reality that because of what is happening, there is so much despair and fear among young people—fear that they will never get a real job—that it is essential that we get action now to provide jobs, and that we do not just rely on promises and schemes? That is what will give them hope. Otherwise, they will find their fears and despair justified.

Ian Lavery: I agree wholeheartedly. The 9.6 people going for every job in my constituency are now being threatened and told that if they do not secure employment, their benefits will be withdrawn. That is hardly a carrot-and-stick approach; it is basically a baseball-bat-over-the-head approach. Instead of encouraging people into employment, we are seeing quite the opposite.

The Labour party has proposed a five-point plan for growth and jobs, and the Government parties would be well advised to scrutinise it. What the Minister said absolutely appalled me: he said that they should not listen to the Labour party. Well, let me give him a message. I am here to represent hundreds and thousands of people unable to attract employment. The employment that is available is low paid. On youth unemployment and jobs, the Government should be listening to everyone from across the parties. People are asking me, and are entitled to ask, whether this is a cynical, political attempt to attack the north-east region and them as individuals, because of a fundamental lack of support for the Government parties.

Katy Clark (North Ayrshire and Arran) (Lab): The problems that my hon. Friend is describing do not just affect the north-east. Does he agree that Government Members seem to be in denial about the scale of the problem and the fact that it will get a lot worse if they do not change course?

Ian Lavery: That is exactly right, and the economy shows clearly that borrowing is up by £46 billion, that CPI inflation is up to 5.2% and that RPI inflation is up to 5.6%. We have the highest level of unemployment for 17 years, the highest level of unemployment among women since records began in 1988 and almost 1 million unemployed young people.

We have to change course. Whether it is plan B, plan C, plan D, plan A plus or whatever, I say to the Government, please listen to what people are saying on the ground. Instead of saying, "We are not prepared to listen," please listen to these people, who are desperate out there—the people who have been marching the streets of London, the disabled and the women, who I have already mentioned. Listen to what they have to say, please change course and let us see what can be delivered for the people who are most in need in the UK.

6.35 pm

Mark Simmonds (Boston and Skegness) (Con): It is a pleasure to follow the hon. Member for Wansbeck (Ian Lavery), but the only point on which I agreed with him was when he said that this is a very serious issue, and that we need an extremely detailed and fundamental rethink of how we address unemployment.

Every single person who is unemployed, whether young, middle-aged or old, experiences a personal tragedy, and we need to do as much as we possibly can to address the situation, but the fundamental point is that we will not create jobs unless we have macro-economic stability.

To get macro-economic stability, we have to get the deficit under control, and the coalition Government must not change course. They must stick to the course that they have set, otherwise the economy will not grow, because controlling the structural deficit is a pre requisite of economic growth, not a substitute for it.

Of course there is growing unemployment, but youth unemployment grew by 40% between 1997 and 2010, so it is not a new problem or issue. Indeed, the right hon. Member for Birmingham, Hodge Hill (Mr Byrne), who speaks for the Opposition on this matter, made surreptitious use of statistics, with some of those that he gave painting a wholly inaccurate picture. Interestingly his only solution to the problem was more tax and more spend, the formula that clearly did not work under 13 years of the Labour party in government.

Mr Graham Stuart: Is it not true that in Hull and other cities throughout the country, the previous Government ignored youth unemployment, which stayed steady even as the general economy boomed? The truth is that on too many estates the Labour party abandoned people, threw them on welfare and did not provide them with the employment or education that they needed to better themselves?

Mark Simmonds: My hon. Friend is absolutely right, and I think I am correct in saying that 97% of current youth unemployment was inherited by this Government from the Labour Administration.

I have three or four suggestions for what the Government might do in addition to the excellent job that they are already doing. The first suggestion is to provide a greater emphasis on lifelong learning through not just traditional learning theatres, but online learning in particular. Secondly, the costs to, and regulations on, businesses must be reduced. For example, businesses are being used for informal tax gathering, which is highly regressive and has a disproportionate impact on small and medium-sized enterprises, thereby inhibiting their ability to create jobs. There needs to be a close look at exempting businesses from a raft of regulations and bureaucracy which has a negative impact on their ability to create jobs. We must also find mechanisms—I hope the Chancellor is looking at this—to incentivise businesses to invest, to create wealth and, therefore, to create jobs for young people and for others.

Owing to the long-term nature of the problem, the education system clearly fails far too many young people. It is clear also from the rise in youth unemployment, which began long before the current economic crisis, that the education system did not meet employers' needs, but the Minister for Further Education, Skills and Lifelong Learning, my hon. Friend the Member for South Holland and The Deepings (Mr Hayes) is doing an excellent job of trying to make businesses and education link up and perform in that way.

The Government are absolutely right on their key policy areas, such as rolling out broadband to enable people to engage with technological businesses and innovation, and increasing the Work programme. It is absolutely right to involve independent sector providers to deliver personalised help. There is significant evidence in my constituency that the work providers and the Work programme are getting jobs for people whom the state structures had failed for up to 18 months beforehand. My hon. Friend is absolutely right to deliver improved apprenticeships. In my constituency they are up 67% this year, and in the east midlands the figure is 60%. They are significant achievements, and my hon. Friend should rightly be proud of them.

The introduction of university technical colleges is absolutely right, and I hope that there will be many more of them. Then there is the new enterprise allowance and the link between volunteering and work experience. My hon. Friend the Member for Brigg and Goole (Andrew Percy) was right that it is important for people to get something on their CVs. A link with the voluntary sector may enable that to happen. The Government are on exactly the right lines. They need to continue and they must not be deterred from controlling the structural deficit.

6.40 pm

Rachel Reeves (Leeds West) (Lab): It is right that we should have the chance to debate youth unemployment today, as our economy continues to flatline and unemployment is rising. It is just a shame that neither the Secretary of State for Work and Pensions nor a single member of the Treasury Front-Bench team has bothered to turn up. How complacent and out of touch this Government are.

The last time we debated the economy in this House was on the day when new figures showed that youth unemployment had reached a 17-year high, with 991,000 young people out of work. Next week we shall have an update on those numbers, but in the last few weeks the Government have done nothing to address the national youth unemployment crisis. It is almost two years since this country moved out of recession, yet the prospects for unemployment and youth unemployment are gloomier than ever. Labour has set out a five-point plan for jobs and growth, and called on the Government to introduce an alternative to their plans, which are hurting but not working. Businesses up and down the country are seeing demand hit. Young people out of work and facing trebled tuition fees are seeing the impact. Families struggling with high VAT and rising energy prices are feeling the impact. All are still waiting for a plan for jobs and growth from this Government. We are all waiting for some leadership from this out-of-touch Government on a jobs and growth plan internationally as well. Every day of waiting is a day wasted, with potential going untapped and opportunities squandered.

Richard Graham: I congratulate the hon. Lady on her appointment. Can she explain to me how it was that during the 13 years of Labour Government, 5,600 private sector jobs were destroyed in my constituency of Gloucester?

Rachel Reeves: What I do know is that in the hon. Gentleman's constituency, as in mine, youth unemployment and long-term youth unemployment is going up on this Government's watch.

There has rightly been concern from all parts of the House today about youth unemployment. My hon. Friend the Member for Hartlepool (Mr Wright), whose constituency has the highest youth unemployment in the country, rightly talked about the impact on his constituents. My hon. Friend the Member for North West Durham (Pat Glass) gave a passionate speech about youth unemployment and its effect in the north-east, as did my hon. Friend the Member for Wansbeck (Ian Lavery), who talked about people in his constituency being hammered by this Government's policies. My hon. Friend the Member for West Bromwich West (Mr Bailey), in whose constituency long-term youth unemployment has risen by 106% in just nine months, was right to talk about the need for a national insurance holiday for small businesses. My hon. Friend the Member for Halton (Derek Twigg), in whose constituency long-term youth unemployment has gone up by 81% in nine months, raised the prospect of Royal Bank of Scotland bonuses of £500 million this year, with no tax on bank bonuses to fund youth jobs—a policy proposed by the Labour party.

Mr Winnick: We have heard many eloquent speeches about unemployment from our right hon. and hon. Friends, unlike those from Government Members. In the 10 constituencies in England with the highest jobless rate for 18 to 24-year-olds, eight are in the west midlands, and of those eight, six are in the black country. We should bear in mind the devastation that is occurring once again, as in the 1980s, in the west midlands and the black country.

Rachel Reeves: My hon. Friend is right to talk about the impact on his constituents. That is why we need a five-point plan for jobs and growth across the country, including the black country.

Unemployment is at a 17-year high and youth unemployment is almost 1 million. Despite the complacency on the Government Benches, the Government must do something to tackle the crisis. Long-term youth unemployment is at its highest for a generation, with 120,000 young people out of work for more than six months, up a staggering 64% since January. The number of young women who are long-term unemployed has risen to 37,500—the highest level in a generation. Whatever Government Members say, the number of young people in long-term unemployment was falling when the coalition Government were formed and it is increasing on their watch.

Paul Maynard: Will the hon. Lady tell me in how many constituencies, according to the figures she requested from the House of Commons Library, did long-term youth unemployment fall between May 2010 and September 2011? I, too, have the figures.

Rachel Reeves: The answer is in a very small minority of constituencies. In the hon. Gentleman's constituency of Blackpool North and Cleveleys, long-term youth unemployment is up 233%, so enough of the complacency—he should be urging the Government into action rather than going along with their out-of-touch attitude.

Throughout the country, the number of young people looking for work has increased in 196 out of 202 local authorities since September last year—97% of local authorities have rising youth unemployment. Even in the Minister's constituency of South Holland and the Deepings, 50 more young people have been looking for

[Rachel Reeves]

a job for more than six months, which is a 71% increase since January. I see the impact in my constituency of Leeds West day in, day out: 105 extra young people have been looking for work for more than six months, which is a 66% increase. Those numbers speak of a devastating impact on the lives of individuals and families, and they are the result of this out-of-touch Government's complacency on youth unemployment.

Rising youth unemployment also shows that the Government's plan A does not make economic sense. With unemployment at a 17-year high, inflation soaring and growth flatlining, the Government are set to borrow an extra £46 billion in this Parliament—and that is before the Office for Budget Responsibility comes up with its revised forecast on 29 November. We are all paying the price for the Government's failure to get a grip on unemployment with higher Government borrowing and debt.

Robert Halfon: Will the hon. Lady answer the question that the right hon. Member for Birmingham, Hodge Hill (Mr Byrne) did not answer when I asked him? Why did youth unemployment rise by hundreds of thousands on her watch and under her Government despite all the taxpayers' money that was spent on one scheme or another?

Rachel Reeves: With long-term youth unemployment up 140% in nine months, the hon. Gentleman should be asking questions of this Government rather than looking back to the past. The reality is that unemployment was falling when this Government came into power; now it is rising. That is the difference between a Labour Government and a Conservative-led Government.

The Government like to blame anyone but themselves—that seems to go for Government Back Benchers as well. First they blamed the snow, then they blamed the royal wedding, and now they blame the eurozone, but the truth is that the economy was flatlining and unemployment was rising before the eurozone crisis hit. They needed a plan for jobs and growth before the problems in the eurozone erupted, and they need to change course now more than ever. It is time they took responsibility for their actions.

In the wake of this national crisis of youth unemployment, what have the Government done? More than a year ago, their very first act was to abolish the future jobs fund, which was worse than doing nothing. The future jobs fund got 100,000 young people into work. Before the election, the Prime Minister said that that same future jobs fund was a good scheme. Why did he cancel it, and why did he cancel it before he had a replacement? The Work programme—the Government's replacement—is no substitute for the future jobs fund. It has one third less funding and is making less of a difference to young people's lives.

We need jobs and growth and young people need hope and opportunity. They deserve a plan that gets the economy moving and improves the prospects of those leaving school, college and university. That is why Labour has set out a five-point plan for jobs and growth. A £2 billion tax on bank bonuses will both support the construction industry and guarantee a job for 100,000 young people. What could be fairer than using some of the record bank bonuses to get young people back to work? Bringing forward long-term investment projects—which my hon. Friend the Member for North West Durham mentioned—utting VAT temporarily to give immediate help to our high streets and struggling families cutting VAT to 5% on home improvements, and a one-year national insurance holiday for every small firm taking on extra workers, will make a huge difference to small businesses and to the 991,000 young people who are out of work today. This is a five-point alternative that offers hope and unlocks opportunity. It is a five-point plan that would get young people back to work, get businesses hiring and get our economy growing. I urge hon. Members to support this action for the sake of the young people up and down this country who have been tossed on the scrap heap by this Government, just as they were in the 1980s and 1990s under Tory Governments of the past.

It is time to learn the lessons. We cannot afford the cost of spiralling unemployment, or of young people leaving school and college without the hope of getting a job. Call it what you will—plan A-plus, plan B or Labour's five-point plan—but for the sake of 1 million young people waiting for action, I urge hon. Members to support the motion.

6.50 pm

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): How could we not be moved by what the hon. Member for Hartlepool (Mr Wright), my hon. Friends the Members for Blackpool North and Cleveleys (Paul Maynard) and for Aberconwy (Guto Bebb), and the hon. Members for North West Durham (Pat Glass) and for Wansbeck (Ian Lavery) said about the plight of young people in their constituencies? Let there be no dispute about this: there is no denial and there is no complacency. *[Interruption.]* Of course this matters to all hon. Members in this House, and it ill befits Opposition Members to suggest that they have a monopoly on care.

Ian Austin: Will the Minister give way?

Mr Hayes: I will not give way.

Hearing Labour Members talk about generational joblessness reminded me of the plight that my father and my grandfather suffered in the '30s when they were jobless. The story now, as we have heard from Members across the House, is no less tragic than it was then. That is why the Government are doing something about it.

All hon. Members who have spoken in the debate must be disappointed by the motion. Like worn-out conjuror's paraphernalia, it is all smoke and mirrors. It resembles the economic policy that the last Government practised when the shadow Chancellor was their senior economic adviser, and we all know where that led. It led to the point at which the shadow Secretary of State, who introduced this debate, left his famous letter saying "There's no money left". We can see the shadow Chancellor's footprints and fingerprints all over the motion.

Mr Byrne: I am genuinely grateful for the tone that the Minister is trying to strike, but does he understand the signal that it sends, in a debate on youth unemployment, when the Department for Work and

Pensions Minister cannot be bothered to turn up for more than half the debate and the Secretary of State is nowhere to be seen?

Mr Hayes: The right hon. Gentleman obviously wants to make party political and partisan points. However, I was suggesting, perhaps unfashionably—perhaps this is not typical for the Opposition—that this matter goes beyond party divides, and that we should be united in our concern and in a call for action.

The shadow Chancellor is not without redeeming skills. I understand that, when he was at public school, he was good at playing the violin. So Balls fiddles while Byrne roams around talking down Britain's chance to succeed.

Let me deal with the three principal points that have emerged from the debate—first, the future jobs fund. It was by far the most expensive part of the September guarantee package, at £6,500 for each individual, and 50% of the people who were under the influence of the fund found themselves unemployed eight months later. That is why we questioned its value—not because it did no good, but because it did not do enough good and was simply not cost-effective.

The second big issue that has been raised today is that of NEETS. The right hon. Member for Birmingham, Hodge Hill (Mr Byrne) and the hon. Member for Leeds West (Rachel Reeves) must know that the NEETS figures are part of a deep, long-term structural issue. Throughout the good years, the NEETs figures were at an unacceptable level. The right hon. Gentleman will see from the figures that in 2009, on Labour's watch, the number of NEETs rose to 925,000. The truth is that youth unemployment involves long-term structural and systemic issues, and this debate was a chance for us to consider them seriously. Instead, what we have heard from the Opposition was little more than party political knockabout.

The third point to emerge from the debate relates to apprenticeships. Let us deal with them head on. I shall leave aside the fact that the right hon. Gentleman has rubbished all those in his constituency doing apprenticeships in their 20s—people like those at Jaguar Land Rover or at BT.

Mr Byrne: Will the hon. Gentleman give way?

Mr Hayes: No, you had your chance.

The right hon. Gentleman rubbished people at BT, Honda and British Gas—[Hon. Members: "Give way."] I give way to him.

Mr Byrne: Will the Minister tell the House by how much youth unemployment will fall as a result of his apprenticeship programme?

Mr Hayes: The right hon. Gentleman knows the answer: over two years, the growth in apprenticeships for people under the age of 19 has been 29% and for people aged between 19 and 24 it has been 64%. Labour could only dream of those figures, and would have died for them in government. The number of apprenticeships for young people is growing. There are new opportunities, and while Labour is deliberating, the Conservatives and Liberals are delivering. That is the difference.

Ed Balls (Morley and Outwood) (Lab/Co-op): Does it not tell us everything we need to know that when there is a debate in the House on tax support to create jobs for young people, there is not one Treasury Minister on the Front Bench for the opening and closing speeches? Is that not a matter of great shame for the Government and an embarrassment for the Department for Work and Pensions?

Mr Hayes: I offer the shadow Chancellor this, and I do so fraternally: if just occasionally he would temper his belligerent bombast with a degree of humility about the advice he gave the previous Prime Minister and Chancellor, he might manage to stop his reputation flatlining.

The motion shows that the old conjuror has learned no new tricks. Once again, we have profligacy dressed up as prudence. It is public policy transvestism: from a distance, the promise of tax breaks may look alluring; only up close can we make out the underlying 5 o'clock shadow of debt and downturn. That is all the 5 o'clock shadow Cabinet can offer.

Some people think that many of the Opposition Front Benchers have been over-promoted, but I give them a second chance. I have a very small bet at very long odds that there is an outside chance that some of them may make a half-decent job of it.

This Government are acting on apprenticeships. We are acting on the Work programme. We are acting on work experience. We are working on getting people into jobs. That is the difference between this Government and the previous Government. We care too, but we act as well.

Ms Rosie Winterton (Doncaster Central) (Lab): *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Main Question accordingly put.

The House divided: Ayes 234, Noes 290.

Division No. 394]

[6.58 pm

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann

Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobson, rh Frank
Dodds, rh Mr Nigel
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M.
(Easington)
Mudie, Mr George
Munn, Meg
Murphy, rh Paul
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Sammy
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Yvonne Fovargue and
Phil Wilson

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Bebb, Guto
Benyon, Richard
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Coffey, Dr Thérèse
Collins, Damian
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C.
(Monmouth)
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Mr Roger

Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Greening, rh Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Hughes, rh Simon
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lord, Jonathan
Luff, Peter
Lumley, Karen
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Metcalfe, Stephen
Mills, Nigel
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Norman Lamb and
Jeremy Wright

Question accordingly negatived.

Business without Debate

DELEGATED LEGISLATION

Mr Speaker: With the leave of the House, we shall take motions 3 to 6 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

INTERNATIONAL DEVELOPMENT

That the draft International Development Association (Multilateral Debt Relief Initiative) (Amendment) Order 2011, which was laid before this House on 7 September, be approved.

That the draft International Development Association (Sixteenth Replenishment) Order 2011, which was laid before this House on 7 September, be approved.

That the draft International Bank for Reconstruction and Development (Selective Capital Increase) Order 2011, which was laid before this House on 7 September, be approved.

That the draft International Bank for Reconstruction and Development (General Capital Increase) Order 2011, which was laid before this House on 7 September, be approved.—*(Mr Newmark.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

URBAN DEVELOPMENT

That the West Northamptonshire Development Corporation (Area and Constitution) (Amendment) Order 2011, dated 3 October, a copy of which was laid before this House on 10 October, be approved.—*(Mr Newmark.)*

Question agreed to.

PETITIONS

Free Fruit for Young Children

7.14 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I rise to present a petition from the 195 children at Northway primary and nursery school in Wavertree in my constituency. The children are very concerned about the cancelling of the free fruit that they receive during their morning break, because of cuts to local authority funding.

The petition states:

The Petition of children from Northway Primary and Nursery School,

Declares that the Petitioners oppose the cancelling of free fruit for young children due to cuts to local authority funding; notes that fruit provides children with the essential vitamins they need to keep strong, fit, active and healthy; further notes that as a snack, fruit provides children with extra energy between breakfast and lunch which helps them to learn and declares that the Petitioners believe that the free fruit scheme may be the only way that some children are able to get fruit, as parents in financial difficulty may not be able to afford to buy fruit for their children.

The Petitioners therefore request that the House of Commons urges the Government to reconsider its deep cuts to local authority funding so that Liverpool City Council can afford to maintain its free fruit scheme in schools.

And the Petitioners remain, etc.

[P000976]

Bradford-on-Avon Station Ticket Office

7.16 pm

Duncan Hames (Chippenham) (LD): I wish to present this petition on behalf of the users of Bradford-on-Avon station, who are campaigning to keep the station's ticket office open, following publication of the McNulty report, which recommends its closure. They value the service it provides to the local economy, as well as to rail users. A petition in similar terms has been signed by about 1,200 local residents.

The petition states:

The Petition of users of Bradford-on-Avon station,

Declares that the Petitioners regard the Bradford-on-Avon station booking office as an essential service and an essential part of the town, further declares that the Petitioners believe that it is used frequently and in preference to the ticket machine, particularly by older customers, and that it is widely valued for the information provided and for the services of the booking office staff in opening and closing the wonderfully refurbished waiting rooms.

The Petitioners therefore request that the House of Commons urges the Government to take all possible steps to ensure that the Bradford-on-Avon station booking office remains open.

And the Petitioners remain, etc.

[P000978]

Guisborough Royal Mail delivery Office

7.17 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I wish to present a petition in opposition to the closure of the Guisborough delivery office. More than 5,000 petitioners made up of residents, business owners and Communication Workers Union Royal Mail workers have signed the petition in opposition to the privatisation of the Royal Mail and the proposed closure of Guisborough's delivery office. There has been no meaningful consultation with the community, local business, or the work force and their trade union, the CWU. No proper reasons have been given for the proposed closure of what the petitioners believe is the most efficient delivery office in the Teesside area. Royal Mail's proposals to move operations to Redcar from Guisborough are unproven, unworkable and unwanted.

The petition states:

The Petition of residents of Guisborough,

Declares that the Petitioners are opposed to the closure of the Guisborough Royal Mail Delivery Office and the Government's policy of Royal Mail privatisation; further declares that the Petitioners feel that there has been no meaningful consultation with the community, local businesses, the workforce and their trade Union, the Communication Workers Union; and declares that no proper reasons have been given for the proposed closure of what the Petitioners believe is the most efficient delivery office in the Teesside area.

The Petitioners therefore request that the House of Commons urges the Government to take all possible steps to ensure that Royal Mail consults with local partners and reviews the proposed closure of Guisborough Delivery Office accordingly.

And the Petitioners remain, etc.

[P000977]

Blaydon Races 150th Anniversary

7.18 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I wish to present a petition on behalf of the Blaydon Races 150 organising group and its supporters throughout the north-east. More than 3,000 people have signed a similar online petition. The petition calls on this House to throw its weight behind the campaign for a fitting celebration of the 150th anniversary of the Blaydon Races, which falls in June next year. Specifically, the petition asks the House to urge the local authorities of Newcastle and Gateshead to work together to ensure that the 150th anniversary of this great north-east anthem is celebrated with a properly scaled and co-ordinated programme of activities.

The petition states:

The Humble Petition of the organising group of the Blaydon Races 150th Anniversary Campaign, namely Mr Steven Campion, Mr David Minikin, Mr Aidan Oswell, Mrs Lisa Christer Ovenden, Mr Andrew Ridley and Mr Anthony Pearson,

Sheweth, that the Petitioners are campaigning to encourage all those who cherish the history, culture and traditions of their beloved Tyneside to celebrate the 150th anniversary of Mr George Ridley's famous Blaydon Races anthem in June 2012.

Wherefore your Petitioners pray that your Honourable House will urge the Government to actively encourage the local authorities of Gateshead and Newcastle upon Tyne to work together to coordinate a properly-scaled programme of appropriate celebrations.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000979]

Keynsham Railway Station Access

7.19 pm

Jacob Rees-Mogg (North East Somerset) (Con): I ask to present this petition from Mr Heard and Ms Friend, supported by more than 1,000 residents who live in and around Keynsham, in the county of Somerset. The petitioners are concerned by the poor facilities for the disabled at Keynsham railway station. Better access has been promised but never created. They therefore ask the Secretary of State to urge the relevant authorities to ensure that this takes place.

The petition states:

The Humble Petition of residents of North East Somerset,

Sheweth that the Petitioners believe that there are inadequate facilities for disabled people who wish to use Keynsham railway station.

Wherefore your Petitioners pray that your honourable House urge the Secretary of State for Transport to encourage FirstGroup plc to provide adequate facilities for disabled people at Keynsham railway station.

And your Petitioners, as in duty bound, will ever pray, etc.

[P000980]

Cluster Munitions

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Newmark.)*

7.21 pm

Martin Caton (Gower) (Lab): I have sought this debate because I am very concerned at current moves within the UN convention on certain conventional weapons to adopt a new protocol that would ban some older and less sophisticated cluster munitions, but allow continued use of some weapons that are the most dangerous to civilians. This would be a major step backwards, as it would effectively undermine the convention on cluster munitions that prohibits ownership, manufacture and transfer of all cluster weapons, because they all kill and maim civilian children, women and men when they are used. Some 111 states have now joined this treaty, which requires a complete ban.

However, before I rehearse my argument on that issue, it might help if I take a step back and look at what cluster munitions are, what they do and whom they do it to, and describe how the convention on cluster munitions was achieved and what has happened since to take its provisions forward. Cluster munitions are air-dropped or ground-launched shells that eject multiple smaller sub-munitions or bomblets. Some have been developed for use against runways, armour and even electrical transmission systems to locate a specific type of target. However, their primary purpose in most circumstances in which they are used is to kill people—ostensibly enemy combatants, but in practice many others as well.

Cluster bombs can contain variable numbers of sub-munitions, but most often that means very large numbers. Each sub-munition contains explosives, a copper cone, a pre-stressed fragmentation sheath and an incendiary sponge. The main bomb breaks open in mid-air and the bomblets are released, effectively carpet-bombing an area the size of two or three football fields. Anybody within that area—military or civilian—is likely to be torn apart. Tragically, in conflict after conflict, because of where they have been used, many of the victims of that weaponry—even at the time of attack—have been innocent children, women and men who were non-combatants.

However, that is only the first part of the story. There is a longer-term impact, because many of the bomblets do not work properly. They fail to explode on immediate impact and are left on the ground after the end of hostilities, to be trodden on by farmers returning to their fields, pulled up when families are cleaning rubble from their damaged homes, or even picked up as playthings by children attracted by their shape and shine. They remain lethal.

Cluster weapons date back to the second world war, but were used most extensively by the United States in the Vietnam war, where villages were carpet-bombed with cluster munitions. In fact, in Vietnam the US sometimes employed cluster bombs that were designed not to explode on impact. They were called area denial ordnance, and when they were dropped they were effectively land-mining an area from the sky. That was deliberate, of course; but all too often ever since, the result of using cluster munitions has not been too different.

[Martin Caton]

Revulsion at what cluster munitions were doing to the ordinary people of Vietnam led in the early 1970s to calls for an international treaty. In 1974, Algeria, Austria, Egypt, Lebanon, Mali, Mauritania, Mexico, Norway, Sudan, Sweden, Switzerland, Venezuela and Yugoslavia jointly put forward a document that included a section headed "Anti-personnel fragmentation weapons". It said:

> "Anti-personnel cluster warheads or other devices with many bomblets, which act through the ejection of a greater number of small-calibred fragments or pellets to be prohibited for use".

Sadly, that initiative got nowhere at that time and the people of Vietnam are still living with the aftermath of that mass cluster bombing, 40 years later. Even now, every year, hundreds of Vietnamese civilians are killed or injured by American sub-munitions from cluster bombs dropped all that time ago. Some 22 countries have been affected by cluster munition contamination, with particular problems of unexploded ordnance in Indo-China, Afghanistan, Iraq and Lebanon.

Sir John Stanley (Tonbridge and Malling) (Con): Having visited southern Lebanon myself shortly after the ceasefire took place and after the Israelis had carried out a massive sowing of cluster munitions, I can say to the hon. Gentleman that he is absolutely right to point out the terrible dangers to men, women and children from these awful weapons, which are primarily used with the aim of, and have the effect of, killing and maiming civilians.

Martin Caton: I thank the right hon. Gentleman for that contribution. He is absolutely right, and I shall say a little about what happened in Lebanon.

In 2006, the charity Handicap International produced a report documenting more than 10,000 known civilian casualties from cluster munitions, but it believed that the true figure could be as much as 10 times as high as that. What there can be no doubt about is that cluster munitions have caused excessive and disproportionate harm to civilians in every conflict in which they have been used over the past 40 years. People across the world realised this, especially when they saw on their television screens the use of millions of these weapons by the state of Israel against Lebanon and the consequences for its people. Sixty per cent. of Israeli cluster strikes were in built-up areas, with the inevitable impact on innocent human life. At the end of the conflict it was estimated that there could have been as many as a million unexploded cluster sub-munitions littering roads, schools, wells, houses, gardens and fields, taking their toll on the Lebanese population. A clean-up operation continues, in which the UK Department for International Development is playing a valuable and important role, but that, we should not forget, is a diversion of development aid money from other humanitarian projects.

At the end of that conflict, cluster munitions, as an issue, had gone up the political agenda across the face of the planet. Civil society was brilliantly organised by the Cluster Munition Coalition of more than 350 organisations in more than 100 countries. They found politicians who were willing to listen, ready to be convinced and prepared to act. From 2000 until 2007 attempts had been made to negotiate on cluster munitions at the UN convention on certain conventional weapons, and this had been blocked every time by the United States and others. When in 2006 a mandate to negotiate an instrument on cluster munitions, proposed by 27 states, was again prevented, Norway and the other countries involved decided to go outside the UN to move the issue forward.

That was the start of what became known as the Oslo process, starting with a conference in that city in February 2007. In doing that, Norway was following the example of Canada, which had used the same approach in securing the landmine treaty 10 years earlier. The Oslo process was quite remarkable. By getting people and their Governments to address the impact of cluster munitions, we saw quite radical changes of position over about a year, not least in this country.

On 23 November 2006, I secured an Adjournment debate in the Chamber on cluster munitions in which I urged the then Labour Government to play a leading role in the Oslo process and to take the initiative by announcing the UK's intention to renounce all cluster munitions. The then Minister of State, Ministry of Defence who responded described cluster munitions as

> "lawful weapons that provide a unique capability against certain types of legitimate target",

and went on to say:

> "Our military commanders judge the degree of force to employ to achieve the mission, subject always to strict compliance with international humanitarian law. We believe that that is a sufficiently adequate body of law. It puts considerable constraints on the use of cluster munitions."

He added that

> "a total ban on the use of all types of sub-munition would have an adverse impact on the UK's operational effectiveness."—[*Official Report*, 23 November 2006; Vol. 453, c. 802.]

Jim Shannon (Strangford) (DUP): If all those countries have signed the letter asking for these munitions not to be used, what action does the hon. Gentleman think should be taken against the manufacturers, because that is where the key lies? If they cannot sell them, they will not manufacture them.

Martin Caton: In the 111 countries that are signatories to the Oslo convention on cluster munitions, manufacturing, stockpiling or transferring them is clearly illegal and states should act against such practices. Our problem is the countries that want to hang on to their cluster munitions, such as the United States, Russia and China in particular. That is the point of my debate. I think that they are trying to use the convention in the UN to enable them to hang on to the munitions, and I will move on to that point later.

In November 2006 the Labour Government's position was that we need cluster munitions, but by May 2008 the previous Prime Minister was in Dublin arguing very effectively with Ministers from other states for a total ban. An historic agreement was struck on 28 May to establish the convention that now has 111 members, and more are joining as time goes on.

Let us think about that. Many people knew that the issue of cluster munitions needed to be addressed for at least the last third of the 20th century and the first few years of this century. In just five years, remarkable progress had been made and continues to be made. The convention on cluster munitions that came out of the Oslo process is now in its second year of implementation and its momentum remains strong. There were two new accessions in September and three new ratifications. The same month saw Lebanon host the second meeting of states parties to the convention, in which 34 countries that have not yet signed the convention participated. That is a dynamic that I think needs to be encouraged.

That is what worries me about what the United States and others are now proposing. Having blocked use of the UN convention on certain conventional weapons for years, they have proposed a draft protocol that would ban certain cluster munitions produced before 1980. It is due to be debated between 14 and 25 November in Geneva. There are three possible outcomes: adoption of the draft protocol, ending negotiations with no result, or the adoption of a political agreement that is not legally binding but allows interim steps.

My objective is to urge the Government actively to resist adoption of the protocol. In doing so, and in fairness, I want to recognise the commitment of the Government, like their predecessors, to a complete ban as espoused in the convention on cluster munitions. I do not doubt Ministers' respect for its integrity or their keenness to get every country to join. However, from written answers to questions I have tabled, and from what colleagues and I picked up in a meeting on Monday with the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for North East Bedfordshire (Alistair Burt), I am worried that the Department may be in danger of making an error of judgment. I put it no more strongly that that, because I know that deliberations are ongoing.

My concern is that the Government feel that the Oslo process has stalled and that, therefore, any initiative that allows non-signatories to the CCM to commit to some renunciation of some cluster weapons is welcome because it might allow more progress towards the goal that all Members of the House want to see: a global cluster munitions ban. I understand that thinking but am convinced that it is quite wrong for a number of reasons. The proposed protocol seriously risks encouraging greater use of cluster munitions that have been banned by most countries because it would remove the current stigma that has been developing against the use of cluster munitions—the same stigma developed with landmines, with very positive results. Some welcome the protocol because it would allow a red light for certain old cluster weapons, which would mean the removal of more of those weapons, but there is a reverse side to the coin.

First, when we say that only some munitions are unacceptable, implicitly we are saying that others are acceptable, which means that they get the green light. For the draft protocol, that would mean the United States' BLU-97 getting the okay. That is the cluster bomb that caused such civilian suffering in Serbia and Kosovo, Afghanistan and Iraq. Amazingly, it would also give the okay to the Israeli M85, which was responsible for the slaughter in Lebanon. That cannot be a step forward.

Secondly, the protocol would also hamper efforts to achieve universal adherence to the convention on cluster munitions. The states that want the protocol want it to avoid making progress on the CCM, not to facilitate it. Thirdly, banning cluster munitions is increasingly making military sense, because they do not deliver. That is why 22 of the 28 NATO states have banned them.

Jeremy Lefroy (Stafford) (Con): I thank the hon. Gentleman for securing the debate and admire the passion with which he presents his case. Does he think that the UK's position, given the role that the previous Prime Minister played in the Oslo convention, is looked at with particular significance by other nations?

Martin Caton: The role of the UK Government in Geneva could be critical. It is vital that they show a strength of will against what the United States and others are trying to do to protect the integrity of the current convention.

The draft protocol is not compatible or complementary with the convention on cluster munitions. The latter bans these weapons; the former allows for their use, production and transfer. The proposed protocol would—as I believe it is designed to do—undermine the convention on cluster munitions that came out of the Oslo process. It would set up a rival legal framework for cluster weapons under the auspices of the UN and would not remove a single weapon likely to be used in conflict. All the weapons banned would be 40 years old by the time the protocol required their removal, and they would be ready for decommissioning anyway. However, the draft protocol would legitimise the use of much more dangerous cluster weapons. It would be a body blow for the approach that drove the Oslo process, which was a humanitarian-centred partnership between civil society and Government that is a valuable model for future progress on multilateral disarmament.

The draft protocol contradicts existing international humanitarian law and is not the best way to engage with existing states that have stockpiles of cluster munitions. The International Committee of the Red Cross has pointed out that if it is established, this protocol would set a highly negative precedent. It would be the first time in history that international humanitarian law has moved backwards. I urge the Government, whatever they do, to resist this protocol. It will not move us forward; quite the opposite, it will take us back and reverse so much that has been achieved in the past five years.

I understand the Government's desire to find ways to encourage recalcitrant states to begin the process of decommissioning cluster munitions. The best way to do that is by encouraging the development of a political declaration or plan of action stating that intention, rather than by creating an alternative international legal edifice that threatens our existing convention, which, in fairness, is delivering within a pretty speedy time frame. The draft protocol is not about cluster munitions disarmament; it is a fig leaf behind which the US, China, Russia and others intend to hide, so that they can continue to rely on dangerous, indiscriminate ordnance that will kill more innocent civilians if we let them get away with it.

7.37 pm

The Minister for Europe (Mr David Lidington): I congratulate the hon. Member for Gower (Martin Caton) on securing the debate and on the way he has for some years in this place consistently championed the cause of eliminating cluster munitions from the world. He has been tireless in drawing the matter to the House's attention and in insisting that it should be high on the political agenda of successive Governments. I also want

[Mr David Lidington]

to acknowledge the presence here and contributions of the hon. Member for Strangford (Jim Shannon), my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) and my hon. Friends the Members for Stafford (Jeremy Lefroy) and for Wells (Tessa Munt).

I start by stating unequivocally that the UK and the Government remain fully committed to the objective of ridding the world entirely of cluster munitions. As the hon. Member for Gower said, the UK was one of the original 46 states to join the negotiating process for a convention to prohibit the use, development, production, acquisition, stockpiling and transfer of such munitions. Those negotiations ultimately led to the coming into force of the convention on cluster munitions.

It is fair to say that the previous Government and previous Prime Minister are entitled to take pride in the part that they played in that. I remember speaking from the Opposition Front Bench when the Bill that became the Cluster Munitions (Prohibitions) Act 2010 was going through its stages in the House of Commons. I am glad that that legislation was taken through without amendment and with almost universal cross-party support.

The 2010 Act paved the way for this country to ratify the convention, enabling us to become the 32nd state party to the convention in November last year. It comprehensively implemented in UK law the obligations set out in the convention and it prohibited activity including the use, stockpiling, production and transfer of cluster munitions from taking place within the UK, and by any UK national wherever in the world they might be. The Act also established appropriate penalties and enforcement mechanisms, up to a 14-year prison sentence.

The convention on cluster munitions is rightly recognised as one of the most significant disarmament treaties of recent years. It is a great testament to what can be achieved by states and non-governmental organisations working together. I want to make it absolutely clear that, for this Government, the convention remains the gold standard for work on cluster munitions—the standard that we want all countries to aspire to and to accept and to which this country is determined to adhere.

We take our obligations under the convention very seriously. Immediately after signing the convention in May 2008, the United Kingdom withdrew all cluster munitions from operational service. That represented some 38 million sub-munitions. The United Kingdom then began the active destruction of these stockpiles in anticipation of ratification. I am pleased to be able to tell the House that so far we have already destroyed nearly two thirds of those stockpiles, or some 25 million sub-munitions. Under current plans, it is our intention to destroy the remainder by the end of 2013, or five years ahead of the deadline imposed by the CCM. This represents an early and dedicated effort to realise as quickly as possible, and in a safe, secure and environmentally responsible manner, our obligation to destroy munitions that are prohibited by the convention. We have shared the experience that we have gained and the lessons learned from that stockpile destruction programme with other signatories, and those countries have appreciated that advice and assistance.

At the same time, we have played a full role in delivering on our treaty obligations regarding international co-operation and assistance. Between 2010 and 2013, the United Kingdom will spend more than £30 million on mine action work. This includes the clearance of unexploded ordnance, including cluster munitions, around the world. In addition to this programme, we have allocated significant additional funding for mine action work in Afghanistan and Libya. The provision of this assistance is based on our published mine action strategy, which includes three main objectives: first, to release land affected by the explosive remnants of war so that it can make a measurable contribution to the socio-economic development of affected communities; secondly, to help Governments to take full responsibility for their national mine action programmes; and thirdly, to improve value for money in mine action.

With this strategy, we are concentrating our support on the states in greatest need. As recognised in the Vientiane action plan agreed at the first meeting of the states party to the convention on cluster munitions, the United Kingdom believes that particular attention should be paid to the world's poorest, least developed states. Our strategy therefore gives priority to work that helps those countries first. Specific examples of assistance programmes include £27 million for two partners—the Mines Advisory Group and the HALO Trust—principally for operations in Cambodia, the Democratic Republic of the Congo, Iraq, Laos, Mozambique, South Sudan and Vietnam; and a further £5 million granted to the UN Voluntary Trust Fund that is supporting mine action in countries including Afghanistan, Cambodia, the Democratic Republic of the Congo, Iraq, Laos and Mozambique. We are fully committed to international co-operation and assistance. In just six months of our sponsored projects starting in Cambodia, Laos, Mozambique and Vietnam, 2.5 million square metres of land considered a high priority by those Governments for their national planning purposes had been cleared and returned to communities for productive use.

In addition to these efforts, the Government are fully committed to seeking a global ban on cluster munitions. That is a Government priority, and we continue to promote the universalisation of the CCM during all relevant bilateral meetings, as well as in multilateral forums.

Most recently, the UK, in partnership with non-governmental organisations and the International Committee of the Red Cross, hosted a workshop for Commonwealth countries, which was opened by my noble friend Lord Howell. The UK remains fully committed to the convention on cluster munitions and to a world free of cluster munitions. That is the standard we shall adhere to, that all states should aspire to and that we will continue to promote.

We cannot ignore the fact that, as the hon. Gentleman said, according to some estimates, 85% to 90% of the world's stockpiles of cluster munitions are held by countries that are not parties to the Oslo agreements and to the convention. Nor can we ignore the fact that, sadly, there is little prospect of the non-Oslo states becoming parties to the convention on cluster munitions any time soon. That is a matter of profound regret. We continue to urge those countries, from the greatest to the smallest, to move forward and join the CCM.

It is in that context that negotiations have been under way for some time for a draft protocol VI on cluster munitions, within the convention on certain conventional weapons. The UK, along with the vast majority of signatories to the convention on cluster munitions, has participated constructively in those negotiations, but it has done so with a clear objective. We are determined to ensure that any protocol on cluster munitions that emerges from the talks for adoption by the CCW parties is complementary to and does not contradict the rights and obligations of states parties to the convention on cluster munitions. We also want to ensure that the additional humanitarian benefit that any proposed protocol would deliver is significant and demonstrable.

We think that working with the world's major producers and users of cluster munitions towards a full prohibition—I emphasise that last phrase—is entirely consistent with our obligations under the CCM and that it would be irresponsible of us to refuse to engage with the countries that we wish to persuade to move towards adoption and implementation of the CCM, but which have so far refused to do so.

Martin Caton: I can see that the Government might be able to find a form of words that does not apparently contradict the CCM. However, these countries obviously will not give us a protocol that includes a complete ban, so what will happen in practice is that a green light will be given to some of the worst munitions, such as the M85. In practice, if the protocol goes through, it will contradict the existing convention and it will be very dangerous.

Mr Lidington: Negotiations are under way and we have a seat at the table. I think that we are right to take part in those talks. However, we are a long way from seeing a protocol that we regard as worth debating or as acceptable in any way.

I will go into a little more detail. The negotiations on protocol VI have produced a draft protocol that would see states that agreed to be bound by it take on a legally binding obligation to prohibit the use of pre-1980 stocks of cluster munitions. We reckon that that could account for a third of the world's stockpile of these munitions. The draft protocol, as it currently stands—of course, it may be subject to change—would also create obligations regarding victim assistance, clearance of cluster munition remnants and reporting on stockpiles.

Some of those things, of themselves, would be a step forward, but we are disappointed by the progress achieved during negotiations on a draft protocol VI. Our approach to those talks remains unchanged. We will participate in negotiations at the CCW review conference this month, with the aim of getting the best possible result, and we will be guided by our determination to deliver a significant humanitarian outcome and, crucially, not to undermine the progress made under the Oslo treaty. We will therefore continue to press the world's users and producers to give up more, to be more transparent and to be explicit in their commitment to work towards a world entirely free of cluster munitions.

Given that negotiations are ongoing and this review is about to start, it would not be right for me to go into further detail about the UK's negotiating position at the Geneva conference, or to speculate on what the outcome of those negotiations might be. I can tell the House that the UK will take a view based on whatever final draft protocol might result from the negotiations between the CCW parties, but the UK Government remain firm in their commitment to the integrity of the CCM, to maintaining it as the gold standard and to ensuring that nothing that might be agreed—it is hypothetical at the moment—for protocol VI to the CCW undermines or contradicts countries' obligations under the CCM. That is how we propose to take things forward.

7.51 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Thursday 10 November 2011

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Aviation Safety

1. **Katy Clark** (North Ayrshire and Arran) (Lab): What the outcome was of the meeting of the European Aviation Safety Agency's advisory group of national authorities on 25 and 26 October 2011; and if she will make a statement [79676]

The Secretary of State for Transport (Justine Greening): The meeting of the advisory group of national authorities provided an opportunity for representatives of EASA and European Union member states to exchange views on a number of safety rules currently under development. The discussion will help inform EASA's development of the rules in that area.

Katy Clark: I thank the Secretary of State for that answer. A recent survey of pilots has shown that 43% said that they had at some point fallen asleep in the cockpit, and 31% said that when they had woken up the other pilot was also sleeping. Does she agree that the proposals to increase the time pilots work to up to 13 hours, with fewer rest periods, represent a threat to public safety?

Justine Greening: First, I should say that the Civil Aviation Authority has received no reports of pilots falling asleep under the mandatory occurrence reporting scheme, but obviously we will always be guided by its views on safety, for which it has an outstanding reputation around the world. The Government have expressed our concerns about the proposed changes and continue to make them known. We will work with other countries to ensure that the final rules reflect those concerns.

Railway Stations

2. **Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): What plans she has for funding of local railway stations up to 2015. [79677]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): In addition to planned improvements to local railway stations as part of franchise commitments, the Government are funding improvements through the national stations improvement programme, Access for All programme and the station commercial project facility. We intend to continue doing so.

Jonathan Reynolds: I thank the Minister for that answer. He will know that our local railway network in Greater Manchester is incredibly well used, but I am often struck by the poor condition of our stations, particularly the limited accessibility, as lack of step-free access at stations such as Mosley Street, Broadbottom and Newton for Hyde often forces people to travel further down the line than they would like simply to change platforms and come back on the other side. Good quality public transport should of course be available to all, so I ask the Minister to make that a priority for his Department in future.

Norman Baker: I am happy to confirm, as I mentioned a moment ago, that we are continuing with the Access for All programme. The hon. Gentleman will be interested to know that Stalybridge station in his constituency is part of that programme and that construction work is expected to start on site in June 2013 as part of a £1.8 million project.

Duncan Hames (Chippenham) (LD): As you know, Mr Speaker, last night I presented a petition signed by 1,200 residents of Bradford-on-Avon hoping to keep their station's ticket office, where footfall was over 400,000 last year. In the light of the McNulty report, will the Minister review category E stations for possible upgrade to category D, so that they would at least retain their ticket offices for part-time hours?

Norman Baker: As my hon. Friend will know, the Minister of State is involved in a fares and ticketing review. We are determined to ensure that people are able to buy tickets and access the railway network in a fair way, which might include ticket offices, better arrangements for automatic sales and access through the internet. The point he has made is a valid one and I will pass it on to the Minister of State.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does the Minister recognise the importance of passenger experience in travelling and that that includes having staff at railway stations to provide safety and reassurance as well as a good service?

Norman Baker: Yes, we do. We are very interested in safety at stations for the reasons the hon. Lady rightly mentions. She will be aware of the secure stations programme. Around 90% of the railway network has been designated as having secure stations, which is well over 1,000 stations. We take that very seriously and want to ensure not only that stations are accessible physically, but that people have no fear of using the railway network so that we maximise the number of people who are able to travel by train.

Maria Eagle (Garston and Halewood) (Lab): Can the hon. Gentleman tell the House how many category E station ticket offices will be closed as a result of the Government's plans for the future of the rail industry?

Norman Baker: As I mentioned a moment ago, we are looking at ticketing and fares generally as part of the review we are undertaking, but no decision has been made on the closure of any category E stations. That matter will be considered in the round to ensure that we retain proper access to the railway network. *[Interruption.]* The hon. Lady keeps asking, "How many?" I have just indicated that no decisions have been taken, so the answer so far is none.

Maria Eagle: I can tell the hon. Gentleman the answer: 675 stations will lose their ticket offices as a result of his plans, while another 302 will see their opening hours cut. With passengers facing up to a 13% hike in the cost of their tickets in January, does he understand that his plans to replace staff with machines will make it even harder to get the best deal and are totally out of touch with the public?

Norman Baker: It is unfortunate that the hon. Lady asks her supplementary question without listening to my answer to her first. Indeed, she seems to be reinventing her party's railways policies. The chief executive of the Association of Train Operating Companies accused the hon. Lady's leader of suffering from "amnesia" and of displaying—these are his words—"rank hypocrisy" when it came to Labour's railways policy, so she ought to examine her own policy and her own history before she starts attacking the Government.

Mr Speaker: Order. A word cannot be made orderly simply by putting it into someone else's mouth, and I hope that the hon. Gentleman will withdraw it—straight away.

Norman Baker: I am happy to do so, Mr Speaker.

Mr Speaker: We are most obliged to the Minister.

MOT Tests

3. **Ian Mearns** (Gateshead) (Lab): What assessment she has made of the safety implications of changing the frequency of MOT tests for road vehicles. [79679]

8. **Mrs Mary Glindon** (North Tyneside) (Lab): What assessment she has made of the safety implications of changing the frequency of MOT tests for road vehicles. [79686]

The Secretary of State for Transport (Justine Greening): With permission, Mr Speaker, I will answer this question together with number 7.

In April 2011 the Department published the results of independent research commissioned to examine how vehicle defects affect accident rates, and to consider the potential road safety impact of changing the frequency of the MOT. Copies of the publication have been placed in the Library.

Mr Speaker: May I just very gently say to the Secretary of State that I think the grouping is between 3 and 8, rather than 7? But I think we know what we are talking about.

Ian Mearns: May I welcome the Secretary of State to her new role? It is a fantastic opportunity for her to think again about this proposal. The MOT Trade Forum estimates that 2,200 vehicles a day fail their MOT with defects that are regarded as dangerous and would make vehicles unroadworthy—half a million vehicles a year that would be unroadworthy and dangerous to the public. Will she think again about this very strange set of proposals?

Justine Greening: I appreciate both the correction from you Mr Speaker—I do not usually get my numbers wrong—and the very genuine and balanced way in which the hon. Gentleman puts his question. It is important that we have a balanced and informed debate about any changes to the MOT, and, as he will be aware, we in this country go further with our MOT than is required under EU legislation, so the proposal was looked at as part of the red tape challenge. I am considering all the issues, however, and we expect to make an announcement soon about the timing and scope of the review.

Mrs Glindon: I, too, welcome the Minister to her new post. In 2008, the Tories in opposition criticised Labour plans to reduce the frequency of MOTs, and, when the then Government dropped the policy because of the increased risk of death and many more serious accidents, a then shadow Minister said that he was glad that the policy had been

"consigned to the dustbin of history."

So why try to recycle it now?

Justine Greening: We in this Government are looking across the board to see what we can do to get rid of unnecessary red tape and regulation, and the MOT review came up as a result of that, but, as I just said to her hon. Friend the Member for Gateshead (Ian Mearns), it is important that we have an informed and balanced debate. I am considering all those points; I met the Motorists Forum yesterday; and I expect to make an announcement soon about the timing and scope of the review.

Mr Greg Knight (East Yorkshire) (Con): I join in the welcome given by the House to the Secretary of State. Before she throws in the towel on this excellent proposal, will she reflect on the fact that most of those bleating about it outside the House have a vested interest and want the law kept as it is so that it generates more income for them? Will she also remind herself and the House that 97% of road accidents are caused by human error, not by vehicle defect?

Justine Greening: My right hon. Friend makes an important point. Approximately 3% of accidents are a result of vehicle defects, and he is also right that many of the representations against the review have come from those whose businesses would be affected by it. I have been very clear, however, and as a new Secretary of State it is right that I consider all the points that have been made. I will make an announcement shortly.

Mr John Leech (Manchester, Withington) (LD): Before the election, an Opposition MP wrote:

"I share your concern about the potential implications of moving to the European standard of roadworthiness testing. It seems to me that the road safety and environmental costs of moving from annual to biannual testing, and extending the initial period from three to four years, may far outweigh the predicted costs savings."

Given that the right hon. Member for Tatton (Mr Osborne) is now the Chancellor of the Exchequer, will the Secretary of State hold discussions with him in order to avoid the Government making a fundamental mistake on changes to MOT testing?

Justine Greening: I do not think I can add anything further about my approach to looking at this area, but I can assure the hon. Gentleman that I have regular discussions with the Chancellor of the Exchequer across the portfolio of transport that I now look after, and I will continue to do so.

John Woodcock (Barrow and Furness) (Lab/Co-op): May I add my welcome to the Secretary of State? Although she is new to the job, does she recognise that motorists and many thousands of people employed by the motoring industry have already waited more than a year while Ministers have dithered over the proposal, and that they will still be in the dark after this exchange? Let us be clear: this out-of-touch plan would allow 800,000 more dangerous-to-drive vehicles to stay on the roads for up to a year longer. Will she listen to motoring organisations, such as the AA and the RAC, and ditch the plan, which could lead to more accidents and higher costs and burdens for the responsible majority of motorists?

Justine Greening: If we are ever going to get policies right, we need to go through the right process for developing them. As has been said in the House, the hon. Gentleman's Government looked at this area—

John Woodcock: And rejected it.

Justine Greening: He says they rejected it but, ultimately, they considered this area, too. I met the AA and, indeed, the RAC Foundation yesterday, because they are part of the motorists' forum we have established. There was a helpful exchange and, as I have said to him, I will make an announcement once I am satisfied I know what the scope of the review should be.

Dartford Crossing Charges

4. **Mr John Baron** (Basildon and Billericay) (Con): If she will make it her policy not to increase Dartford crossing charges and to introduce automatic number plate recognition technology to reduce congestion at the crossing. [79680]

The Parliamentary Under-Secretary of State for Transport (Mike Penning): At the time of the 2010 spending review, the Department for Transport set out its policy for increasing charges at the Dartford crossing, as part of a package of improvements for short, medium and long-term improvements. That included the introduction of free-flow tolling. My answer is that the Government do not intend to change their policy.

Mr Baron: May I, therefore, suggest that the Department has got it wrong? Given that the existing crossing makes around £30 million to £40 million profit a year, surely it would be better to introduce automatic number plate recognition technology at the existing crossing first to see whether that solves the congestion problem before raising tariffs to fund a second crossing? With the new Secretary of State in place, could we please have some fresh thinking on this?

Mike Penning: I know my hon. Friend's views on the matter very well and that he lobbies very hard on that particular point. However, even with free-flow tolling at Dartford, the northern approach to the tunnels will still be congested, even according to the predictions we have now. The small bore tunnel has a huge restriction. We need to look at having another Thames crossing for this piece of national—I repeat, national—infrastructure.

Michael Fallon (Sevenoaks) (Con): Will my hon. Friend accept that there is a persistently serious problem of peak-hour congestion, both northbound and southbound, which is costing everybody an awful lot of time and money? Why cannot we have earlier and clearer signage and much better traffic management at the point of the toll booths themselves?

Mike Penning: We are aware of the congestion at the toll, but most of that is caused by the barriers. An archaic method of collecting tolls is in place. We will introduce free-flow tolling as soon as we can. A lot of construction work needs to be done but, at the end of the day, the biggest problem is that the M25 is such a success we need to have another crossing over the Thames.

Railway Stations

5. **Paul Maynard** (Blackpool North and Cleveleys) (Con): What plans she has for future funding for railway stations. [79682]

The Minister of State, Department for Transport (Mrs Theresa Villiers): The comprehensive spending review secured funding for a range of major station improvements to be delivered over the next few years, including Reading, Birmingham New Street, Blackfriars and London Bridge. Proposals for a number of new stations are under consideration for support from local transport funds. Further funding for station improvements over the 2014-2019 period will be considered as part of the high level output specification process. Additionally, one of the goals of our franchise reform is to encourage more train operator investment in railways including in stations.

Paul Maynard: Many hon. Members will have admired St Pancras station as an example of what a station can be and will have wished that their own nearest mainline stations lived up to that standard. I welcome the Government's move to transfer responsibility for stations from Network Rail to franchise holders, yet the fact that many of the investments required in mainline stations cannot be recouped in the course of one single franchise period means that operators are disincentivised from making those investments. Will the Minister ensure that the final invitation to tender for the west coast main line issued in the new year addresses that anomaly?

Mrs Villiers: My hon. Friend makes an important point. I assure him that there is always space for taxpayer funding for bigger-scale station upgrades. In terms of encouraging train operators to invest in station improvements, I also agree that we need to find ways to encourage them to invest in long-term projects that may have a pay-back period beyond the end of the franchise. One of the ways we are addressing that is with longer franchises, but we are also working carefully on how we improve the mechanisms for delivering a residual value at the end of the franchise for just the sort of investments he wants to see.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Minister will have heard the report this morning about the tremendous gap between London and the south and the rest of the country. Many of us look at the wonderful Cannon Street glass palace and the work on King's Cross, but we wonder when we are going to get that level of investment in the regions of this country, particularly in the north, and when we are going to get the smaller stations upgraded so that they are civilised places to catch a train.

Mrs Villiers: The hon. Gentleman raises a very important point. It is crucial that we do all we can to close the north-south economic divide. That is part of the reason for driving forward high-speed rail. It is also partly why we are carrying out major investment in electrification in the north of England to improve stations such as Manchester Victoria, using funds such as the national station improvement programme, together with Access for All, and reforming the franchise system, as I have said, to encourage private sector investment in improving stations and improving transport connections between our northern cities. The go-ahead for the Ordsall chord is also welcome on that score.

Winter Resilience

7. **Rehman Chishti** (Gillingham and Rainham) (Con): What steps her Department is taking in respect of winter resilience on the roads and railways. [79685]

The Secretary of State for Transport (Justine Greening): Significant efforts have been made this year across the transport sectors, including road and rail, in order to boost resilience and preparedness for winter weather. We are working closely with all key transport operators, the local government sector, salt suppliers and other key partners to ensure that our transport network keeps moving in the event of severe winter weather.

Rehman Chishti: I thank the Secretary of State for that answer. However, last winter rail services from and to my constituency were severely disrupted and many commuters were left stranded with little or no information. What steps has the Minister taken to ensure that my constituents receive better information about delays, disruption and cancellation?

Justine Greening: My hon. Friend is right to point out that the rail industry can raise its game. In fact, it is significantly better prepared for this winter than previous ones. Actions are being taken, through investment in rail and in carriages, to make sure that snow and ice does not stop on the tracks. There is also better investment in clearing snow and in managing the situation in terms of passenger information, which is critical. I know that that is something that his franchise operator has focused on.

Rural Bus Services

9. **Angela Smith** (Penistone and Stocksbridge) (Lab): What progress she has made on improving access to bus services in rural areas; and if she will make a statement. [79687]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): The provision of bus services in rural areas, as in urban areas, is predominantly a matter for commercial operators and for local authorities. However, I recently provided £10 million of extra funding to local councils to help to develop community transport in their areas.

Angela Smith: Does the Minister accept that the equivalent of Beeching is going on in rural bus services, made in Whitehall and about which the national Government are doing nothing other than passing the buck to local authorities?

Norman Baker: No, I do not accept that. Almost four out of five bus services are provided commercially as opposed to being subsidised by local councils. So far there have been no cuts at all to support from central Government for those services. The BSOG—bus service operators grant—cut will come in next April. The performance of local authorities up and down the country is very varied. If she looks at East Riding, which is not very far from her, she will find that the Beeching cuts to which she refers are certainly not occurring there or in many other councils. Many councils are protecting bus services; some are not.

Dr Julian Huppert (Cambridge) (LD): The local sustainable transport fund has been a great success, but more improvements are needed in sustainable transport, including rural public transport. Will the Government consider further support in this area, which is critical for people and their ability to get around and for jobs and growth?

Norman Baker: I am happy to say that the local sustainable transport fund has been a success, providing £560 million, which is more money in the four-year period than the previous Government provided. Every single qualifying council that could have bid for money has done so. Tranche 1 is out of the door—£155 million already—and tranche 2 bids are due in shortly, as are the larger bids. As part of the growth review, the Government are looking to see what we can do to boost transport further.

Lilian Greenwood (Nottingham South) (Lab): Last week, the UK Youth Parliament voted transport costs its No. 1 issue, while the Association of Colleges has warned that falling student numbers are being

> "exacerbated by the number of local authorities who have cut back or axed their student travel subsidies."

Will he now wake up to the devastating impact his 28% cut to local transport funding is having on young people, particularly in rural areas?

Norman Baker: I am conscious of the concerns of young people because I invited some to give a presentation at the most recent bus forum that I hosted, which was attended by the major operators and local authorities. I have subsequently written to the bus companies and involved the local authorities to try to get some action to help people of that age with their particular needs for public transport access. This issue is very much on the Government's radar.

Foreign HGV Drivers

10. **Fiona Bruce** (Congleton) (Con): What steps her Department is taking to monitor use of the road network by foreign HGV drivers. [79688]

The Parliamentary Under-Secretary of State for Transport (Mike Penning): The Vehicle and Operator Services Agency, for which I am responsible, carried out 67,000 checks last year on foreign-registered heavy goods vehicles for compliance with roadworthiness, overloading and drivers' hours rules. The Department regularly publishes statistics on the amount of goods transported to and from the United Kingdom by foreign-registered HGVs.

Fiona Bruce: I was recently advised by a constituent of an accident that she had on the busy stretch of the M6 between Sandbach and Knutsford, in which she was hit by a foreign lorry driver in a left-hand drive vehicle who did not see her in his mirrors as he moved into the middle lane. In virtually the same place, a family of six were tragically killed in an accident caused by a foreign lorry driver in 2008. What steps can the Government take to prevent such accidents from occurring again?

Mike Penning: I am aware of the problems that occur around the country, particularly as a former HGV driver myself, including the problems that foreign drivers have with their mirrors. That is something that we are considering with our European counterparts. However, we must realise that only 3.5% of the HGVs on British roads and 5.2% of those on our motorways are foreign. Although it is a big issue, the biggest issue is with HGV driving and the quality of driving as a whole, not just with overseas drivers.

Kelvin Hopkins (Luton North) (Lab): There would be the possibility of taking up to 5 million lorry journeys off our roads every year, provided that there was the rail capacity to take those journeys. There is a scheme to promote a dedicated freight railway line from the channel tunnel to Glasgow, linking all the main conurbations throughout Britain. Under that scheme, full-scale lorries, double stack containers and so on would go on trains. I am happy to explain the scheme to the Minister if he would be interested.

Mike Penning: My door is always open to the hon. Gentleman, as he knows. The biggest issue with rail freight is capacity. The west coast main line in particular, which runs through his part of the world and my part of the world, is at capacity levels. That is why High Speed 2 is so important.

Mr Speaker: Perhaps the hon. Gentleman feels an Adjournment debate coming on. We shall no doubt discover whether that is the case.

Train Punctuality

11. **Andrew Stephenson** (Pendle) (Con): What steps her Department is taking to improve the punctuality of trains. [79690]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): The Office of Rail Regulation and I have made it clear to Network Rail and train operating companies that current trends in performance are causing concern and that we expect industry-wide action to get performance back on target as soon as possible. The industry has agreed a plan to achieve just that.

Andrew Stephenson: The recent letter from the Office of Rail Regulation to Network Rail raises serious concerns over the delay per incident rate on the rail network, which is going up. What discussions has the Minister had with the ORR, Network Rail and the train operating companies to address that specific problem?

Norman Baker: My hon. Friend is absolutely right that it is a worrying trend that the delay per incident rate is increasing. I have discussed the matter with Network Rail and the train companies. It is difficult to get to the bottom of it and it appears that there is no one simple explanation. A number of steps need to be taken by Network Rail and the train companies to deal with this issue. To answer his question directly, I am meeting both parties in about an hour.

Joan Ruddock (Lewisham, Deptford) (Lab): Is the Minister aware that on 6 September, Southern, a railway company that provides services to my constituency, suffered as a result of cable theft? There were no fewer than 13,837 minute delays and 232 cancellations as a consequence. What is he doing to contact Ministry of Justice and Home Office Ministers to get this business sorted out once and for all?

Norman Baker: The right hon. Lady is right to raise that issue, which is a serious problem for the railway network, as well as for the energy network and the telecoms industry. We are taking it seriously. A cross-departmental group of Ministers, on which I sit for the Department for Transport, has met twice to consider what we can do within existing powers and what further steps might be necessary in regulations or legislation to deal with this serious problem, which is having a big impact on the economy and on passengers.

Mr Rob Wilson (Reading East) (Con): May I welcome the Government investment in Reading station, which will make a massive difference to punctuality across the whole network? Will the Minister express his support for a western link into Heathrow, which would offer major economic benefits for the south-west, Wales and Reading, and improved punctuality?

Norman Baker: I recognise the strong case for better access on the rail network to our major airports, including of course Heathrow, and my right hon. Friend the Minister of State has been particularly concerned about that. We want to improve access to Heathrow, and of course we have to ensure that any plans tie in with anything that might be done with high-speed rail.

Graham Jones (Hyndburn) (Lab): To follow on from the question asked by my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock), scrap metal theft is having a significant impact on train punctuality. Will the Minister agree to support tougher measures against the scrap metal industry to alleviate the problem?

Norman Baker: That is not ruled out. Obviously we do not want to go to the statute book as the first option, but there is a serious problem, and if Ministers are convinced that that option is a way to deal with metal theft, we will consider it seriously. We also have to ensure that we do not simply close down one avenue and see the stolen metal diverted somewhere else.

Road Maintenance

12. **Mr Dominic Raab** (Esher and Walton) (Con): What steps she is taking to repair roads. [79691]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): The Department is providing £3 billion over the four years from 2011-12 onwards to local highway authorities in England for roads for which they are responsible. On top of that, we provided an additional £200 million in March for English authorities to repair damage caused by the winter. The Highways Agency is responsible for operating, maintaining and improving the strategic road network in England, and in this financial year its budget for maintenance is £840 million, excluding costs associated with private finance initiative projects.

Mr Raab: According to a survey published by *Autocar*, the last Government left Surrey with the most potholes in the country, while the Federation of Small Businesses reports that poor roads cost a quarter of small businesses at least £2,500 each year. Will the Government confirm their continuing support for repairing Surrey roads through the local sustainable transport fund?

Norman Baker: I am happy to confirm that the Government are committed to doing what we can to help local authorities with road maintenance. We have a highways maintenance efficiency programme to identify best practice, which we are funding centrally. In addition, I am happy to say that in March we allocated an extra £4.1 million to Surrey county council to deal with its specific problems.

Derek Twigg (Halton) (Lab): If we have severe frost and snow again this year, will the Government again make extra money available to local authorities to deal with the problems that that would cause on our roads in the coming six months or so?

Norman Baker: We deal with circumstances as they arise, but we are putting in place measures to ensure that local authorities make the best use of the money that they have. Salt stocks are high, and as I mentioned a moment ago we are investing in steps to ensure that the highways maintenance efficiency programme gets the best value for money from what local councils spend.

Heavy Goods Vehicles

13. **Sheila Gilmore** (Edinburgh East) (Lab): What assessment she has made of the effect on road safety of the decision to permit longer heavy goods vehicles. [79694]

The Parliamentary Under-Secretary of State for Transport (Mike Penning): The Government's response to the consultation on the use of longer semi-trailers includes a revised impact assessment. It indicates that the forthcoming trial of [illegible],800 trailers should result in a marginal reduction in accidents and fatalities and their associated costs.

Sheila Gilmore: Given that the original consultation document admitted that longer lorries are less safe, and in the light of the tragic circumstances of last week, which were admittedly different, do the Government not now have cause to reconsider taking any risk with safety by introducing such lorries?

Mike Penning: What happened on the M5 was a tragic incident, and our thoughts and sympathies are with the families who have lost their loved ones and the people who are still very seriously ill in hospital. No assumptions should be made until after the police inquiry is completed.

The research was undertaken by the Transport Research Laboratory, a world-leading independent body. It indicates that there will be a 1.6% reduction in road casualties.

Grayrigg Train Crash

14. **Tim Farron** (Westmorland and Lonsdale) (LD): If she will establish a public inquiry into the Grayrigg train crash in February 2007. [79695]

The Minister of State, Department for Transport (Mrs Theresa Villiers): The Grayrigg derailment was thoroughly investigated by the rail accident investigation branch in its 2008 report. The accident also received detailed scrutiny during the inquest into the tragic death of Mrs Masson. Ongoing rail industry actions continue to address issues arising from Grayrigg. The Government have therefore decided not to set up a public inquiry.

Tim Farron: Our thoughts and prayers must be with the family of Mrs Margaret Masson, following the conclusion last week of the inquest into her tragic death at Grayrigg in 2007. The inquest revealed that in February 2007 alone, there were no fewer than 700 points-related failures just on the line from Motherwell to Crewe. That is 700 near misses. Does that not demonstrate the need for a much wider, nationwide inquiry, and should not the Government now resolve not to deregulate Network Rail, which would further compromise rail safety?

Mrs Villiers: The Government are determined not to compromise rail safety. We are satisfied that very important lessons must be learned from Grayrigg and previous accidents. In taking forward reform of the railways to make them more efficient, maintaining the highest levels of safety will be a vital priority we intend to keep to.

Topical Questions

T1. [79696] **Jack Lopresti** (Filton and Bradley Stoke) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Transport (Justine Greening): In just under four weeks in this job, I have met a range of people, organisations and parliamentarians involved in the transport world. For example, I have met the Select Committee on Transport, the industry-formed Rail Delivery Group and the Motorists Forum. I have also addressed the Airport Operators Association and visited the Thameslink site at Blackfriars to see for myself the progress being made with that vital project.

I am clear that my key objective is to ensure that the Department for Transport plays its role in being a driver of economic growth, not just today but in the future, by helping people and goods to get from A to B, while also helping the UK's delivery of key environmental goals.

Jack Lopresti: Officials in the Secretary of State's Department are considering the north-west Bristol to Hengrove major scheme bid. The scheme supports the delivery of 23,000 new homes, more than 100 hectares of employment land and 150,000 square metres of offices for local businesses and industry. Does she agree that the bid fits in well with the Government's growth agenda?

Justine Greening: I am very well aware of that bid, which was received by the Department on 9 September. It is currently being assessed alongside the other 44 schemes that have been submitted for the development pool. We hope to be in a position to announce which of those 45 schemes will receive funding later this year.

T2. [79697] **Ian Austin** (Dudley North) (Lab): Despite the fact that the west midlands was hit harder during the downturn than anywhere else in the country, and that it is taking longer to recover and urgently needs action to generate jobs and growth, the railway initial industry plan identifies only two schemes in the west midlands and would result in the region receiving only £57 million of a total of £10 billion of investment. That is a complete and utter disgrace. I welcome the Secretary of State to her position, but would she be prepared to visit the west midlands to meet me, other MPs from the region and industry experts such as Centro to discuss how we can work together to tackle transport problems in the region?

Justine Greening: I am always happy to meet parliamentarians. I will ensure that as Secretary of State for Transport I am out and about around the country. I have already started doing that and I would be very happy to meet the hon. Gentleman and his constituency colleagues.

T3. [79698] **Penny Mordaunt** (Portsmouth North) (Con): I hope that in the Secretary of State's induction, she has been made aware of the unsuitable suburban rolling stock used on the main line Portsmouth to London service. Is she also aware that 1970s rolling stock has been reintroduced on the Portsmouth to Brighton line? Will she meet me to discuss how we can ensure that Portsmouth passengers get the services they deserve and the services they pay for?

The Minister of State, Department for Transport (Mrs Theresa Villiers): My hon. Friend and I have debated this issue before. She knows that I am reluctant for Ministers to have more hands-on involvement with the distribution of rolling stock on different lines, but I understand her concerns. My colleagues and I are of course happy to try to broker a solution, and I am pleased to say that my right hon. Friend the Secretary of State is happy to meet my hon. Friend to discuss this further.

T4. [79699] **Cathy Jamieson** (Kilmarnock and Loudoun) (Lab/Co-op): Are Ministers aware that there is growing concern about the potential sale of British Midland International to British Airways, which could have damaging consequences for Scottish businesses and travellers? I appreciate that under the Enterprise Act 2002 this is a matter for the Office of Fair Trading, but will Ministers keep an overview and, if appropriate, report to Parliament?

Justine Greening: I have already spoken to Willie Walsh about the proposed deal, which, as the hon. Lady will be aware, has some way to go before it is finalised and before we know about the impact on connectivity. She will also be aware that a scoping document consultation has just closed. When we look at the emerging strategy for aviation, it is important to ensure that we see a United Kingdom in the sense that we should have a well connected transport policy.

T6. [79702] **Matthew Hancock** (West Suffolk) (Con): In Mildenhall, Brandon, Elveden and across Suffolk and East Anglia, people are thrilled that the Government are finally completing the dualling of the A11, but the questions they are now asking are when will it be finished, and when can they finally drive at an appropriate pace all the way up to Norfolk?[1]

The Parliamentary Under-Secretary of State for Transport (Mike Penning): I hope those people will drive not only at an appropriate pace but at a safe pace within the law. As my hon. Friend knows, we started the project early and promised that we would be as fast as we possibly could. We hope that it will be done in early 2014, but if it can be done earlier, we certainly will do it.

T5. [79700] **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): Given the threat of ever higher train prices and the success of mutual solutions—for example, Glas Cymru—in reducing the burden on consumers, will the Secretary of State accept the Co-operative party's People Rail proposals and put passengers in the driving seat?

Mrs Villiers: I am obviously always interested in ideas for improving our railways. The Government recognise the benefits of co-operative arrangements and mutualisation, and I am happy to meet the Co-operative party to discuss what it would like to do with the railways, and to see whether we can involve it in the reforms that we are taking forward.

T7. [79703] **Gavin Barwell** (Croydon Central) (Con): As a south London MP, my right hon. Friend the Secretary of State will know what a success Croydon tramlink has been. The Mayor of London and Croydon council have recently worked together to buy additional trams to increase the frequency of the service. Will she work with the Mayor in the medium term to extend the benefits of the system to other parts of south London?

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[1] *[Official Report, 14 November 2011, Vol. 535, c. 3MC.]*

The Parliamentary Under-Secretary of State for Transport (Norman Baker): We believe that there is a good future for trams and light rail in this country, and I hope that my hon. Friend has seen the recent publication "Green Light for Light Rail". We are happy to work with the Mayor and elected bodies up and down the country to try to progress light rail, because it has a good future and is very useful for passengers.

Mr Speaker: I call Michael Connarty. He is not here. Margaret Beckett.

Margaret Beckett (Derby South) (Lab): May I welcome the Secretary of State to her new responsibilities and assure her that her welcome will be much warmer, particularly across Derbyshire, if she makes an early decision on the eVoyager project—converting 57 vehicles from the CrossCountry fleet to dual power—and awards the contract to Bombardier?

Justine Greening: I would say two things to the right hon. Lady. First, I was in contact with Bombardier in my first three days in this role because I recognise the issues raised across the House. She is right that tenders are coming up in which Bombardier could participate, and I have no doubt, and very much hope, that it will want to bid for them. Secondly, I recognise the issues arising from the procurement process within Government, and we are working with the Department for Business, Innovation and Skills to consider how we can take those matters further.

T8. [79704] **Karen Lumley** (Redditch) (Con): Is the Secretary of State confident that councils in the west midlands have sufficient resources to address adverse weather and avoid the sort of chaos that happened in Redditch last year?

Justine Greening: We discovered last year and the year before that winter resilience is incredibly important. We have far more salt in reserve now than we did at this point last year, and we are working with local authorities up and down the country to ensure that many are better prepared and can use the salt more effectively.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The Secretary of State will have seen the Competition Commission's damning report on the bus wars around Newcastle. May I urge her not to leave bus transport in the north-east to market forces, but to work with local and transport authorities to ensure that the people of Newcastle have the quality of bus services that they deserve?

Justine Greening: We are still waiting for the Competition Commission's final report, but I can assure the hon. Lady that I am well aware of the importance of bus services to local communities up and down the country, including in Newcastle, and I shall pay close attention to any strategies that we develop in the light of the commission's report.

Tessa Munt (Wells) (LD): Last Friday, I had the delight of sitting through the five Youth Parliament debates. They were really well-conducted and a fantastic opportunity for young people to express their views. Coming from a rural constituency, I was very pleased that the Youth Parliament chose transport as its campaign issue. What can the Secretary of State do to further its aim to have cheaper, better and more accessible transport?

Justine Greening: We have a range of approaches to ensure that transport is affordable and accessible to everyone, , including young people. As we have seen in London, getting young people to use public transport from an early age is one way of getting behaviour change. I am very conscious of that, and I shall be interested to see what more I can do in my role.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): What assessment has the Minister made of the impact on local newspapers of relaxing the guidelines on the statutory publishing of traffic regulation orders?

Norman Baker: Obviously, we recognise that there is a potential impact on local newspapers, but we also realise that this is perhaps an archaic way of forcing local authorities to advertise traffic regulation orders, and that it involves a significant cost, to the extent that sometimes the cost of advertising is in excess of the cost of the work carried out.

Mark Pawsey (Rugby) (Con): In her review of the interval between MOT inspections, will the Secretary of State consider the mileage covered by vehicles? For the average car, which covers about 10,000 miles a year, there is a strong case for extending the interval, but many trade vehicles and company cars cover in excess of 30,000 miles, which means that they have reached 100,000 miles come the three-year first MOT test.

Justine Greening: As my hon. Friend rightly points out, there are far more issues to do with the MOT test than just its frequency. We aim to look at all those issues as part of this review, and I shall be making an announcement shortly.

Chris Williamson (Derby North) (Lab): I, too, extend my congratulations to the Secretary of State on her new role.

The Member of the European Parliament for the East Midlands, Glenis Willmott, has established that the European Union has no problem with the Thameslink contracts being retendered to incorporate socio-economic factors. The Business Secretary was on the "Today" programme this morning saying how much the Government supported the manufacturing industry. May I urge the Secretary of State to show her commitment to British manufacturing by considering retendering the Thameslink contract, which could be achieved in a matter of six to 12 months?

Justine Greening: We cannot retender that contract, not least because it would put on hold the vital work being done on the Thameslink project, which is creating, I think, 3,000 jobs. The hon. Gentleman's point about better reflecting socio-economic factors in the procurement process is, however, a good one. That is precisely why we are looking at how we can improve the procurement process, which I should add was developed by his Government.

Miss Anne McIntosh (Thirsk and Malton) (Con): The post bus carries hundreds of passengers between Foxholes and the villages to Malton, but from April the

Royal Mail will discontinue it. How can we access the community transport fund, which we have just heard about, to ensure that this vital rural bus link continues?

Norman Baker: I have every sympathy for my hon. Friend when such situations arise. As I have said, £10 million has been given to local authorities. Her local council is in a position to take that forward and decide how best to allocate the money, so it is best that she speak to her council. However, she makes a valid point, and I am monitoring the impact of bus services in rural areas.

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Business Start-ups

1. **Harriett Baldwin** (West Worcestershire) (Con): What recent assessment she has made of the propensity of (a) men and (b) women to start new businesses. [79666]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): If women in the UK set up businesses at the same rate as men, we would have 150,000 new start-ups each year. If women in the UK showed the same level of entrepreneurship as women in the United States, we would have 600,000 more women-owned businesses in the UK, which would contribute around £42 billion to our economy. It is therefore obvious that we need to make the best use of all the talents available in the economy.

Harriett Baldwin: The new enterprise allowance scheme, which is delivered through Jobcentre Plus, is an excellent innovation to help people who want to start their own businesses. Will the Minister ensure that both women and men are told about this excellent scheme?

Mrs May: Indeed. The new enterprise allowance scheme is an important scheme that has been introduced to enable people who are unemployed to set up their own businesses, and we will certainly ensure that it is made available to both women and men. I also announced last week that we would be recruiting an additional 5,000 mentors for the women's enterprise scheme, to encourage and help women in the vital first steps of setting up their own businesses.

Mr David Hanson (Delyn) (Lab): Has the Minister seen today's PricewaterhouseCoopers report, which shows that the discrepancy between north and south is being widened by Conservative-Liberal Democrat Government policies? Given that women find it difficult to get into the employment market in the first place, what steps will she take to ensure that women in Wales, the north-west, the north-east, Yorkshire and Humberside have an opportunity to get into employment?

Mrs May: It is this coalition Government who have introduced the regional growth fund, which is actively ensuring that money is available in the various regions of the United Kingdom, to help ensure growth and prosperity across the whole of the United Kingdom.

Lorely Burt (Solihull) (LD): The case for encouraging women-owned businesses is clearly made. This Government have made great strides to encourage small businesses through their aspiration to ensure that 25% of Government spending on procurement goes to small businesses. Can we now consider the possibility of extending that to women-owned businesses, which would obviously have a great benefit for business and the economy?

Mrs May: My hon. Friend is right, in that the Government are actively using their procurement power to encourage small businesses and make it easier for them to apply for Government contracts. She makes an interesting point about positive action in relation to women-owned business. This is something that has been done elsewhere—for example, the United States—and we will look at the experience in those places.

Kate Green (Stretford and Urmston) (Lab): Support to start businesses is all very well, but the regional growth fund is substantially smaller than the funding available from the regional development agencies, while Labour's Aspire fund, which supported women-led businesses in obtaining finance, has been put on hold by Ministers. With cuts to help with child care costs, Sure Start services closing and family budgets under pressure, does the Minister not think that the Government need to do far more to support business and working women?

Mrs May: We have announced 5,000 mentors to help women to start up their own businesses, and we will also be establishing a women's business council. We are doing things to help women in the workplace that go far beyond what the last Labour Government did. The right to request flexible working for all and the introduction of flexible parental leave will make a real difference to women's lives.

Forced Marriages and Honour Killings

2. **Mr Douglas Carswell** (Clacton) (Con): What her policy is on reducing (a) forced marriages and (b) honour killings; and if she will make a statement. [79667]

The Minister for Equalities (Lynne Featherstone): The Government are committed to ending the abusive practices of forced marriage and honour killings, and to ensuring that victims are protected. These practices are indefensible and never acceptable. Our action plan to end violence against women and girls sets out our approach, which includes raising awareness, development of training for police and prosecutors, support for victims, and improving the international response.

Mr Carswell: How quickly will the Government move to ensure that forced marriage is made a criminal offence?

Lynne Featherstone: Up to now, this has been a civil matter under protection orders. We are making it a criminal offence to breach a civil order, and we will be consulting on the actual offence becoming a criminal one before Christmas.

Mrs Mary Glindon (North Tyneside) (Lab): What discussions is the Minister having with colleagues in the Department for Education to ensure that schools spot any early signs of vulnerability to forced marriage?

Lynne Featherstone: We have an inter-ministerial group on violence against women and girls, to which the Department for Education sends a Minister. As the hon. Lady knows, issues relating to forced marriage are principally, though not exclusively, explored within personal, social and health education. The Department for Education continues to work closely with other Departments, and it reports to us in the inter-ministerial group.

Hate Crime

3. **Angela Smith** (Penistone and Stocksbridge) (Lab): What steps she is taking to tackle hate crime. [79668]

The Minister for Equalities (Lynne Featherstone): Tackling hate crime is an issue that the Government take extremely seriously, and we are committed to doing more to support and protect victims. We are meeting the coalition commitment to improve the recording of such crimes, and working with the police and other partners to encourage more victims to come forward. We are also working with the Government's independent advisory group to develop an action plan on tackling all forms of hate crime.

Angela Smith: Next week is anti-bullying week. What is the Minister going to do to tackle homophobic bullying in schools?

Lynne Featherstone: We take all bullying very seriously, including homophobic and transgender bullying. The Department of Health has issued new guidelines on bullying that are much more condensed and to the point. Also, Ofsted has now included behaviours in its inspection regime. The hon. Lady is right: this is an appalling form of hate crime, and we are dealing with it.

Stuart Andrew (Pudsey) (Con): One in five gay or lesbian people has experienced a homophobic attack in the past three years. As someone who experienced such an attack in the '90s, I am aware of the fear that follows such an attack. Will the Minister join me in welcoming the excellent work being done by West Yorkshire police to engage the lesbian, bisexual, gay and transgender community in tackling this awful hate crime?

Lynne Featherstone: I thank my hon. Friend for his question, and I am sorry to learn that he had such an experience. The statistics on hate crime are quite frightening. In 2010, there were 48,000 incidents. I would very much like to congratulate the police force in West Yorkshire. It is vital that the police take this issue seriously, because they are in a position to act when someone comes to them to report it. We must tackle hate crime and ensure that every incident is investigated.

Domestic Violence (Victim Support)

5. **Nic Dakin** (Scunthorpe) (Lab): What steps the Government are taking to provide support to women in the criminal justice system who have been victims of domestic violence and abuse. [79671]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): Tackling violence against women and girls is a priority for the Government, and specifically for me, as I have responsibility for women in the criminal justice system. The National Offender Management Service, in conjunction with Women's Aid, has published the framework to support women offenders who have experienced domestic and sexual violence. It contains guidance for commissioners and links to resources for practitioners. Women's Aid and the National Offender Management Service are also training prison and probation staff to pilot the Power to Change programme, which aims to help women prisoners who want to leave a violent relationship.

Nic Dakin: With the closure of courts across the land, will the Minister tell us what steps are being taken to guarantee that domestic abuse courts will remain in place?

Mr Blunt: We continue to examine the provision of court services across the country and there is an agenda to try to deliver justice much closer to neighbourhoods. Of course, dealing with domestic violence is an important part of addressing a particularly horrible crime at a community level. I have seen for myself the work done by the probation trusts, and that will go hand in hand with what needs to be done with the courts as well.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The House will be aware of the deeply disturbing cases where women have been stalked for many years by their ex-partners and have not been properly protected by the criminal justice system. Two months ago, I raised my concern and expressed the view that stalking should be made a separate criminal offence in order to provide greater protection for women. Labour has tabled an amendment to the Protection of Freedoms Bill in the House of Lords to do exactly that. Will the Government support us in our proposals to make stalking a separate offence and vote for those proposals in the Lords?

Mr Blunt: Obviously we have seen the proposals coming from the Opposition. We need to look at the evidence on how the existing legislation has or has not been used effectively and assess whether further work could be done on using existing harassment legislation properly. We are looking at the proposed amendment; during the course of the debate, we will come forward with a proper assessment and answer to it.

Corporate Boards (Female Representation)

6. **Mrs Eleanor Laing** (Epping Forest) (Con): What steps the Government are taking to encourage corporate boards to have a more representative proportion of women. [79672]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): The Government are continuing to work with business and others to ensure that the recommendations set out by Lord Davies in March this year are implemented effectively. Cranfield university presented a report to the Prime Minister three weeks ago, which showed that steady progress is being made to increase female board representation. The rate at which women are being appointed to FTSE boards has doubled and the number of all-male boards has almost halved since 2010.

Mrs Laing: I thank my right hon. Friend for that answer. The House will warmly welcome the enormous progress made in recent times. In particular, we welcome the Davies report, but will my right hon. Friend agree that this is not just a matter of an abstract idea about equality for the sake of equality. Lord Davies cites a report by McKinsey which states:

> "Companies with more women on their boards were found to out-perform their rivals with a 42% higher return in sales, 66% higher return on invested capital and 53% higher return on equity."

Having women involved is also good for business.

Mrs May: My hon. Friend makes an extremely important point. There has been progress. We know that there are now only 12 all-male boards within the FTSE 100, down from 21 in 2010. We know that women have made up an increasing percentage of the directors appointed to FTSE 100 companies since Lord Davies's report. The point she makes is absolutely right: having women on boards is not just a women's issue; it is about the state of the economy, and it makes good business sense.

Valerie Vaz (Walsall South) (Lab): But is the Minister for Women and Equalities aware that of the last 93 appointments only 21 were women, and that the Cranfield school of management has said that two thirds of companies have ignored what the Government have said. Do we not need more than a nudge and wink, and to have some more positive action?

Mrs May: I am sorry that the hon. Lady could not bring herself to welcome the progress made on this issue since Lord Davies's report. We are adopting the approach of encouragement and working with businesses. I think that is the best way to change attitudes in the longer term. We have already seen from the work done in Australia that the significant increase in the number of women on boards can be achieved without having to go down the route of quotas.

Simon Hughes (Bermondsey and Old Southwark) (LD): Given the clear benefit to the whole community of having a much more diverse corporate management in both the private and the public sectors, will my right hon. Friend look at having a common reporting date annually for the private and public sectors on the diversity of their boards? Could we follow that, in association with the House business managers, with a debate here so that we can keep the pressure up and everyone in the country can see the comparative position annually?

Mrs May: My right hon. Friend has made an interesting suggestion. He highlights the importance of transparency in encouraging action in this area. That is indeed why we have developed the "think, act, report" programme for companies to sign up to. It encourages them not just to look at what is happening on gender diversity and the gender pay gap in their workplace, but to act on it and then, crucially, report on it because we believe it is that transparency that makes a difference.

Women Offenders

7. **Heidi Alexander** (Lewisham East) (Lab): What discussions she has had with ministerial colleagues on the treatment of women offenders. [79673]

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): I engage in frequent discussions with ministerial colleagues about how we should address women's offending as part of the Government's rehabilitation reforms. Those discussions often include either my right hon. Friend the Minister for Women and Equalities or my hon. Friend the Minister for Equalities. We are working across Government to tackle offenders' mental health problems, along with the Department of Health; to get them off drugs for good; and to give them skills for work, which involves the Department for Business, Innovation and Skills. Our Work programme reforms will of course affect offenders leaving prisons, and in that regard we are doing very good work with the Department for Work and Pensions. In all that work, we are taking full account of the distinct needs of women.

Heidi Alexander: The Government want prisoners to work a 48-hour week, but in a recent written answer the prisons Minister confirmed that just 161 women were working in prisons in March this year. That is a disproportionately low figure given the size of the female prison population. What will the Minister do to close the gap?

Mr Blunt: Most work in prisons at the moment is effectively a programme: it is a cost centre for the Prison Service. If we are to increase the amount of work done in our prisons to any significant extent, we shall need to adopt a rather more economic and commercial approach, so that the work of offenders can generate resources to deliver services for victims of crime. We are undergoing a system change, and there are many important and difficult questions to be answered about competition and similar issues. That applies just as much to women as to men.

Tom Brake (Carshalton and Wallington) (LD): The Government rightly dislike adopting targets, but has the Minister an aspiration in regard to the number of women he expects to be in prison at the end of the current Parliament?

Mr Blunt: My aspiration is, of course, zero, but although we have delivered a highly effective policy on crime and criminal justice, I am, like my right hon. Friend the Minister for Women and Equalities, realistic enough to know that it is unlikely to be achieved. We will, however, work towards its achievement.

Over the past year the number of women prisoners has fallen by 1.5%, and the number of women arriving at prisons to serve sentences of less than 12 months has fallen by 10.7%.

Hinchingbrooke Hospital

11.32 am

Liz Kendall (Leicester West) (Lab) *(Urgent Question)*: To ask the Minister of State to make a statement on the decision to allow Circle to run Hinchingbrooke hospital.

The Minister of State, Department of Health (Mr Simon Burns): Today, a 10-year contract was signed by Hinchingbrooke Health Care NHS Trust and Circle allowing Circle to take over management of the trust, which has struggled to be financially viable in recent years. Major service problems have persisted and, despite repeated attempts to tackle it, the trust now has the largest legacy debt as a proportion of turnover in the NHS: £39 million, which amounts to almost half the hospital's £100 million turnover. Moreover, the Care Quality Commission has expressed concern about the fact that its stroke services are failing and its cancer services under-achieving. The local NHS accepted that major changes were needed, and early in 2007, when the previous Government were in power, established the Hinchingbrooke next steps project to identify options for securing the trust's future.

In 2008, East of England strategy health authority chose a franchise model, and in 2009 it launched a competitive procurement process to identify a preferred bidder. That was agreed with the previous Government, and the power to bring in another person or organisation to manage an NHS hospital was introduced under that Government's National Health Service Acts 2001 and 2006 and the Health and Social Care Act 2001.

At the end of last year, following a rigorous and open competition that included NHS organisations, NHS East of England announced that Circle had the most viable plans to turn the trust around. That decision has been endorsed by the Department of Health and the Treasury following an equally rigorous approval process this year. It should be noted that it was the Labour Government who set up the initial competition, a process from which many NHS organisations dropped out, leaving only private providers in the competitive tendering frame.

Circle is an established provider of services for NHS patients, although it should be emphasised that under this contract NHS services will continue to be provided by NHS staff, from NHS buildings, and that patients will continue to have access to them as they do now. No NHS staff are leaving, and assets will remain in public ownership. Hinchingbrooke hospital will continue to deliver the same NHS services, as long as commissioners continue to purchase them, adhering to the key NHS principle of care being free at the point of use. This is not a privatisation in any shape or form. Circle will help clinicians and health care professionals improve Hinchingbrooke from the bottom up. Its plans include improvement in length of stay, rationalisation of theatre usage and improvement in back offices. Commissioning leaders, hospital consultants and Royal College of Nursing representatives in Huntingdon clearly support Circle commencing the franchise. Tony Durcan, the RCN professional officer for Cambridgeshire said:

> "Circle are very impressive…I welcome working with them."

He went on to say that he believes the decision to work with Circle

> "does secure the long-term future of Hinchingbrooke."

If Circle achieves its forecasts, the whole of the trust's accumulated deficit will be repaid by the end of the 10-year contract. Circle is paid from the trust's surpluses, so if there are no surpluses Circle does not receive a fee. Furthermore, if the trust makes a deficit under Circle's watch, Circle must fund the first £5 million. At deficits above that, the trust can terminate the contract, so Circle really must perform well.

The Government believe this is a good deal for patients and staff at Hinchingbrooke. It is a new management model being tried in the NHS for the first time, but the trust has had huge problems over the past decade, and it now has an opportunity to turn its fortunes round. The local NHS even stated that without this deal Hinchingbrooke hospital's future would have been in doubt.

The local NHS will maintain close scrutiny of the contract. The Appointments Commission has appointed a chair and two non-executive director-designates to form a new Hinchingbrooke trust board from February 2012 that will appoint a franchise manager. The franchise manager will be responsible for day-to-day monitoring of contract performance. During the initial mobilisation stages, NHS Midlands and East will continue to oversee the franchise agreement.

Patients and the public deserve, and must get, a safe and sustainable NHS based on its core, historical principles. This contract will deliver that.

Liz Kendall: Patients, the public and NHS staff will be concerned about the implications of this unprecedented agreement not only locally in Cambridgeshire, but for the NHS across the country. Let me be clear that Opposition Members accept that there have been problems with this hospital for some time. My right hon. Friend the Member for Leigh (Andy Burnham)—who is currently visiting St James's university hospital in Leeds—will set out the background to this issue and how it was dealt with by the previous Government in a statement later this morning, but it is the current Government who have made the decision to transfer the management of Hinchingbrooke to the private sector, and it is the current Government who must account for their actions.

First, I want to deal with the practicalities of the agreement. How many bids to take over the running of the hospital did the Government receive, and what criteria were used to judge them? Circle's chief executive confirmed on the "Today" programme this morning that Circle has no experience of running emergency and maternity services, so why was the company chosen? What confidence can patients and NHS staff have in the chief executive's claim this morning that Circle will be able to pay off Hinchingbrooke's £40 million debt simply by cutting waste and bureaucracy when all previous attempts have failed—at the same time as, apparently, providing patients with Michelin-star meals and delivering profits for Circle's shareholders? Can the Minister assure the House that this agreement will not, in reality, lead to staff jobs being cut and services being closed, and can he give a firm guarantee that all services currently run at Hinchingbrooke, including accident and emergency and maternity, will remain open throughout the entire period of the deal? Will he also set out whether the agreement requires Circle to work with other local NHS services and the council, what profits are permitted under the agreement, and how decisions will be held to account locally under it? Will he also place a copy of the agreement contract in the Library of the House?

The Minister must also today answer serious questions about the implications of this agreement for the wider NHS. He must set out whether the Government envisage any limit to the role of the private sector in the NHS. We know that Department of Health officials have been discussing the takeover of 20 other hospitals by private companies, so will the Minister tell the House how many of these hospitals will be taken over by the private sector? What steps have the Government taken to ensure the financial stability of Circle and its parent company, Circle Holdings? What will be the implications if the company goes bust, as Southern Cross did, for patients and taxpayers?

Finally, important questions need to be answered about why this company has been chosen. Given its close links to the Conservative party, there needs to be full transparency about all meetings—formal and informal—between Department of Health and Treasury Ministers and this company and any of its paid advisers. So will the Minister agree to publish full details of these meetings so that patients and NHS staff can have full confidence that the Government followed proper due process in their decisions?

Patients and the public will be deeply worried that this morning they have seen this Government's true vision for the future of our NHS with the wholesale transfer of the management of entire hospitals to the private sector. The Health and Social Care Bill currently before Parliament not only allows that to happen but actively encourages it. Patients and NHS staff do not want this and the public have not voted for it. It is time that the Government agreed to drop their reckless NHS Bill.

Mr Burns: I am rarely speechless, but I am left speechless by the sheer effrontery of the hon. Lady. I have to remind hon. Members that this process stems from the previous Labour Government's legislation in 2001, which was consolidated in 2006. This process started in 2007 at strategic health authority level, when she was a special adviser in the Department of Health. It continued, and the decision to move forward from a Department of Health level was taken in 2009 by the then Secretary of State for Health, who is now the shadow Secretary of State. It is often thought that shadowing a Department that one ran is helpful because one knows where the bodies are buried. The problem for the shadow Secretary of State is that not only does he know where the bodies are buried, but he was the one who buried them in the first place.

The hon. Lady asks how many bidders there were. As she will appreciate, a number of processes have taken place. There were 11 bidders at the start, the vast majority of which were private sector bidders, although there were some NHS ones—this was in 2009, under a Labour Government. The number reduced to six in December 2009, again under a Labour Government. Of those six bids, one was from an NHS body and one was from an NHS body in conjunction with the private sector. In February 2010, when I believe the right hon. Member for Leigh (Andy Burnham) was the Secretary of State, the number reduced again, this time to five. All these bids were from the private sector, except one, which was made in conjunction with an NHS trust. In March 2010, again under a Labour Government, the number reduced to three, with one bid associated with an NHS body, and then it reduced to two, with both bidders in the private sector.

Mr Alan Campbell (Tynemouth) (Lab): When did that happen?

Mr Burns: In July last year, as part of the ongoing process started by the previous Government.

The hon. Lady also asked whether the contract and the business case would be put into the public domain. They will be published in due course although, as she will appreciate, certain commercially sensitive information will be redacted, which is only reasonable. She also asked about staffing and whether there would be redundancies. May I tell her that there will not be redundancies as a result of the operating franchise? Circle has said that it might need to redeploy and retrain some staff within the hospital, but it does not expect job losses. I reassure the hon. Lady—I think she would like this reassurance—that, as I am sure she understands, Hinchingbrooke will remain an NHS hospital, the staff will remain as NHS staff, and the services will continue, as I said in my statement, within the format of all other services provided in every other NHS hospital, which is within the format of reconfigurations, if and when. *[Interruption.]* The hon. Lady says I cannot guarantee that they will stay over. I can give the greatest and most honest guarantee as of now because nobody—listen carefully so that it is not got wrong—can guarantee what services a hospital will be providing in 10 or 15 years, due to different and changing circumstances.

The hon. Lady also mentioned, as a hare that she wanted to start running to frighten people, the question of the 20 hospitals within the NHS that are having financial and other problems. The fact is that in the past month or so all those hospitals have published their tripartite formal agreements with regard to the foundation trust pipeline, and I can tell her that all those are options by which to move forward, either as stand-alone bodies or possibly mergers and acquisitions with other foundation trusts within the NHS.

Several hon. Members *rose*—

Mr Speaker: Order. The Minister of State is a resilient man. Considering that he was rendered speechless, his recovery has been both quick and complete. The House will be aware that the terms of this urgent question are narrow. I appreciate that Members may want to refer to other cases, but they must do so with reference to the specifics of the issue that has been aired from the Opposition Front Bench and by the Minister of State.

Mr Robert Syms (Poole) (Con): Is not the key point that the deal will lead to better NHS services for people who live in the area of the hospital? The Minister has reassured us today that if it does not, there will be changes.

Mr Burns: I am extremely grateful to my hon. Friend for that measured contribution. The most important thing must be providing world-class, quality care for

[Mr Simon Burns]

patients, not only in the Hinchingbrooke area but throughout the NHS across the country. I am confident that this deal does that, working with the NHS within the NHS, but with a management provided by Circle to do just that.

Chris Ruane (Vale of Clwyd) (Lab): Can the Minister guarantee that the terms and conditions of current and new staff will be guaranteed by the private sector company, and that it will not go for the easy option of cutting terms and conditions?

Mr Burns: With respect, I do not think the hon. Gentleman fully understands what I have said. I said that the status of staff at the hospital will not change in any way. They will continue to be NHS-employed staff working for the NHS as they did yesterday and as they will from the day the project starts working.

Chris Ruane: So that is yes?

Mr Burns: It is, indeed.

Dr Julian Huppert (Cambridge) (LD): Many of my constituents are affected directly by what happens at Hinchingbrooke hospital, and the service there has been hit hard over many years by some of the disastrous schemes of the previous Government—private finance initiative contracts that took money away, and money abstracted by the previous Government's private treatment centre, where private providers were paid more than NHS rates. What we now need is improved service and stability of service. Will this now finally be provided?

Mr Burns: I am grateful to the hon. Gentleman. I can say that this is the best chance for the hospital, which has had a very troubled history, as he knows as the constituency Member for Cambridge, because of the financial problems and governance and management problems. I am confident that this is the best way forward to establish this hospital once again on a firm footing to provide the finest health care for his constituents and those of hon. Members in the Huntingdon and Cambridgeshire area.

Julie Hilling (Bolton West) (Lab): I do not understand how there can be a surplus to be given to the private company. Surely every penny of taxpayers' money should be spent on the care of patients. Does this mean that Circle will be inclined to reduce care so that it makes profits?

Mr Burns: I have to say that I am disappointed by the hon. Lady's question.

Chris Ruane: You are very condescending.

Mr Burns: I am not. I am just being honest. If there is a loss, Circle will pick it up, up to the first £5 million. Hinchingbrooke is a struggling hospital with a deficit of £39 million. That is why we are having to take the actions that the Government that the hon. Gentleman supported instigated more than three years ago. There is a formula that gives an incentive for Circle to deliver, to raise the quality of care, to reduce and, we hope, over the 10-year period to remove the deficit altogether.

Duncan Hames (Chippenham) (LD): When a hospital's consultants have a financial interest in its performance, what safeguards will prevent their private interest in increasing the volume of treatments provided putting the hospital's financial health ahead of that of the local national health service?

Mr Burns: Under the agreements that have been signed, the consultants are there to manage an NHS hospital treating NHS-only patients and to ensure the finest quality of care for the NHS. That is the safeguard.

John Healey (Wentworth and Dearne) (Lab): At a time when progressive reform of our NHS requires greater collaboration and integration of services, with more being done for patients beyond the hospital, cannot Ministers see that that will be much harder to achieve when Hinchingbrooke hospital and others have been handed over to a private company with a single commercial interest in maximising profits and getting more patients into the hospital? Cannot they accept that it is a privatisation and that it is wrong in principle and wrong in practice?

Mr Burns: If it is privatisation—I utterly reject the claim that it is—and if it is wrong, it was the right hon. Gentleman's Government who gave the powers to do this in their legislation and it was his successor as shadow Health Secretary, when Secretary of State, who instigated the proceedings to bring this about. It is a little odd for the right hon. Gentleman for Wentworth and Dearne (John Healey), for narrow, grimy and party political reasons, to try to blame us for something that he and his party instigated.

Jacob Rees-Mogg (North East Somerset) (Con): I congratulate the Minister on his excellent announcement. The Circle group runs a hospital in Peasedown St John in my constituency. It has a fantastic partnership model that is a good example of how public-private co-operation should exist and provides better services for my constituents than those that were there before, so the announcement is thoroughly to be welcomed.

Mr Burns: I am extremely grateful to my hon. Friend. I have every confidence that what has been decided today is in the best interests of getting Hinchingbrooke hospital back on its feet. I am heartened not only by his support, but by the fact that the vast majority of people living in the Huntingdon and Cambridgeshire area fully support it, as do clinicians and the NHS locally. I was particularly heartened by a rational statement of fact by the RCN's area organiser for Cambridgeshire—he was on the negotiating board—who said that he was very impressed when dealing with Circle and was looking forward to working for it. The ultimate point is that there was a possibility two or three years ago that if nothing could be done to turn the hospital around it would have been closed, which would not have been in the interests of local people.

Nick Smith (Blaenau Gwent) (Lab): Will Circle be able to sell off any of the organisation's assets and separate the ownership and operation of the hospital, as was the case with Southern Cross?

Mr Burns: Under no circumstances will it be able to do that. As I keep saying to the hon. Gentleman and his right hon. and hon. Friends, Hinchingbrooke is and will remain an NHS hospital, but a private company is providing the management. The NHS, through that management, will continue to operate the hospital.

Mr Peter Bone (Wellingborough) (Con): I congratulate the hon. Member for Leicester West (Liz Kendall) on securing the urgent question and allowing the Government to concede that they have adopted a Labour policy by bringing in private management. Will the Minister look at the possibility of extending what we might call a pilot to Kettering hospital?

Mr Burns: The answer is no. I do not want to disappoint my hon. Friend, but the simple answer is that Hinchingbrooke hospital, as the right hon. Member for Leigh will know, has a historical problem that the NHS tried to solve but failed. Given that the previous Government enacted powers to allow a franchise in exceptional circumstances, it is better to use that model to turn around the hospital rather than let it fail altogether. It is not a principle that we are considering extending across the NHS.

Fabian Hamilton (Leeds North East) (Lab): The Minister said in reply to an earlier question that there would be no forced redundancies. However, as he explained, Circle will pay off the deficit over a period of time and has an obligation to make profits for its shareholders. Can he explain how it will manage to do that while paying off the deficit?

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): Did they not understand the policy when they voted for it?

Mr Burns: My hon. Friend makes a valuable point from a sedentary position. The driving force behind the arrangement and the key criterion for Circle is the need to turn the hospital around, with regard to its quality and standard of care and its finances. The challenge for Circle is to eliminate completely the £39 million historical deficit over the 10-year period and put the day-to-day running costs of the hospital on a firm footing. I am confident that, within the framework of the agreement, that offers the best change to turn the hospital around.

Bob Blackman (Harrow East) (Con): I congratulate my hon. Friend on exploiting the position presented by the Opposition. Given that this is a one-off, as he has said, what is the future for the other 20 hospitals that are in a desperate financial state? Is this a blueprint for the future and can we look forward to other partnership arrangements coming forward?

Mr Burns: I am grateful to my hon. Friend for the opportunity to put on the record the way forward for those 20 hospitals. This is not a blueprint or model to be used by other hospitals. It is on the statute book, as the hon. Member for Leicester West (Liz Kendall) knows. Where there are problems with the 20 hospitals that are seeking foundation trust status, the SHAs, departmental officials and the trusts themselves are looking at them. They have all published TFAs in the past six weeks or so with their intention for the way forward. I think that I am right in saying that for all of them there is a variety of options that range from a stand-alone FT bid to a possible merger or acquisition with another FT or trust. There are no TFAs for a franchise arrangement. As I have said before, this is a first and, as of now, unique model.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): On 31 December 2010 Circle's debt stood at £82 million. Does the Minister know what its debt is at the moment, and can he guarantee that its priority will be paying off the hospital's debt rather than its own?

Mr Burns: I can assure the hon. Gentleman, because of the way in which the agreements have been framed, that there is an incentive and a pressure on Circle to seek to deliver on reducing and—we hope—eliminating over the 10 years the £39 million historical deficit. On the question of who has what size of a deficit, I must tell him that my concern is to remove that shackle from the neck of Hinchingbrooke hospital.

Andrew George (St Ives) (LD): Notwithstanding the inconsistency of the Opposition's position, will the Minister clarify whether this marks clearly the termination of public NHS trusts as preferred providers of public NHS services?

Mr Burns: It was all going so well up until now, Mr Speaker. The hon. Gentleman, who has shown a keen interest in the progress of the Health and Social Care Bill, will know that we are concentrating on any willing provider—based on quality care, not price—rather than preferred bidder.

Mr Dave Watts (St Helens North) (Lab): The Minister will be aware that in an Adjournment debate some five months ago, we put forward a leaked document that stated that exactly what has happened today would happen. He denied that it was happening, but obviously it has, so will he answer the question that was put to him in that debate? Is it not the case that the only way in which the company can make a profit is by stopping the provision of expensive services, such as maternity and accident and emergency services, and by creaming off other services from neighbouring hospitals?

Mr Burns: With regard to the hon. Gentleman, I have over the past few months been very restrained. In the light of his question, however, I shall now share with the House what was going on.

The hon. Gentleman is referring to the foundation trust status of his local hospital. A leaked document got into the public domain, but it was nothing to do with me or other Department of Health Ministers; it was an early draft of a tripartite formal agreement. What the hon. Gentleman did then—because he is an Opposition MP and he is entitled to do so—was to run a campaign in his area stating that the Tories were going to privatise his local hospital. I assured him from day one that that was utter rubbish, that there was no truth in it and that he should wait until the TFA was finally published. It was published recently, and of course there was no proposal in it to privatise the health service—*[Interruption.]*

Mr Speaker: Order.

Mr Burns: Can I tell you, Mr Speaker, as a final thing—*[Interruption.]*

Mr Speaker: Order. I want to hear the final bit.

Mr Burns: The cynicism of politicians is such that when that happened, so that no face was lost, the hon. Gentleman claimed that his campaign had been so successful that it had forced me to reverse my position.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The Minister seems to believe that the continued running of the NHS is the responsibility of the previous Government, rather than of his own Department. Does he accept that this deal is his decision and that he has radically extended the role of the private sector in our health service?

Mr Burns: I do not know who has been briefing the hon. Lady, but the lines are wrong, I am afraid. She is right that the final decision was taken by me, in this Administration, but—*[Interruption]*—if she will just wait a minute, I will tell her that all we were doing was following what the previous Government set in motion. I will tell her something else: if there were a Labour Government in power and not this Conservative Government, the Labour Minister of State would be standing here today and making exactly the same points—

Liz Kendall: You don't know that.

Mr Burns: The hon. Lady says that I do not know that, but surely she accepts that Labour politicians are consistent and would consistently follow their own policy. I am sure that they would be here doing so.

Valerie Vaz (Walsall South) (Lab): I encourage the Minister to carry on drinking the peppermint tea, because then he will remain calm. Hinchingbrooke hospital does not have an A and E department, so what resources will be available to those NHS hospitals that have to absorb the extra patients?

Mr Burns: I think the hon. Lady is mistaken. I am advised that Hinchingbrooke does have an A and E—

Valerie Vaz *indicated dissent.*

Mr Burns: The hon. Lady shakes her head, but of course she is a Member for the north-west, whereas I understand from the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly), who is the MP for Hinchingbrooke, that it does have an A and E. I will check and write to her immediately, and no doubt if I am right and she is wrong, she will in her charming way correct the record in due course.

Mr Speaker: I am grateful to the Minister and to colleagues, because everybody who wanted to question him had the chance to do so.

Business of the House

12.3 pm

Ms Angela Eagle (Wallasey) (Lab): Will the Leader of the House please give us the business for next week?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 14 November will be:

MONDAY 14 NOVEMBER—Consideration of Lords amendments to the Education Bill.

TUESDAY 15 NOVEMBER—Motion relating to fisheries, followed by motion relating to fuel prices. The subjects for these debates were nominated by the Backbench Business Committee.

The business for the week commencing 21 November will include:

MONDAY 21 NOVEMBER—General debate on the 2010-2011 annual report from the Intelligence and Security Committee.

TUESDAY 22 NOVEMBER—Opposition day [12th allotted day] [half day] [second part]. There will be a debate on a Democratic Unionist party motion. Subject to be announced, followed by motion to approve a European document relating to Croatia and European Union enlargement, followed by motion to approve a money resolution relating to the Daylight Savings Bill.

WEDNESDAY 23 NOVEMBER—Opposition day [un-allotted day]. There will be a debate on an Opposition motion. Subject to be announced.

THURSDAY 24 NOVEMBER—Business to be nominated by the Backbench Business Committee.

FRIDAY 25 NOVEMBER— Private Members' Bills.

I should like to remind the House that we will meet at 11.30 am on Tuesday 15 November.

I should like also to inform the House that the business in Westminster Hall for 1 December 2011 will be:

THURSDAY 1 DECEMBER—A debate on "Keeping the UK moving: the impact on transport of the winter weather in December 2010", the fifth report from the Transport Committee, followed by a debate on "Bus Services after the Spending Review", the eighth report from the Transport Committee.

Ms Eagle: I thank the Leader of the House for that statement.

Ahead of Remembrance Sunday, it is only right that this House records its deep debt of gratitude to the brave men and women who have served and continue to serve in our armed forces. We will remember those who made the ultimate sacrifice in services up and down the country this weekend, and we will all wear our poppies with pride.

In normal circumstances, the House rises at this time of the year for practical reasons, to make way for the beginning of a new Session and the State Opening of Parliament, but even though that has been put off until next year, we are still to have a short recess now. During the summer recess, Parliament had to be recalled the day after it rose in order to deal with the phone hacking scandal, and then it had to be recalled a second time to deal with the riots. With no Government in Greece and contagion spreading to Italy, does the Leader of the House think that it is right for Parliament to take a break just as we face the biggest economic crisis of our lifetimes—

Mr Peter Bone (Wellingborough) (Con): You all voted for it.

Ms Eagle: It was voted for before those events. Is the Leader of the House making contingency plans for a recall to deal with the worsening economic and political situation in Europe?

Given that the right hon. Gentleman has already helpfully announced all the recess dates for next year, will he now tell us the date of the rearranged Queen's Speech? With crucial elections taking place countrywide on 3 May 2012, and with the Easter recess taking place between 27 March and 16 April, I am sure that he would not wish to put Her Majesty in a position where the ceremony of a State Opening runs up against election purdah. Our Head of State should not be used in a pre-election stunt by this Government, especially in her diamond jubilee year, so I hope that the right hon. Gentleman can reassure me on that important point.

The fact is that there should be a new Queen's Speech next week, not next year. If one were happening now, the Government could start by admitting that they will have to revise their economic growth forecast down for the fourth time in 18 months, as unemployment and inflation soar and growth stalls. They ought to abandon their disastrous top-down reorganisation of our NHS and get to grips with the fiasco engulfing Britain's border controls, and if the Chancellor had any sense he would swallow his pride and unveil a plan B to rescue our stagnating economy.

On the shambles at our borders, will the Leader of the House confirm to the House that the information given to the three inquiries that the Home Secretary has announced so far into those events will be published, so that we can get to the truth of what happened? Does he agree that that is especially important given that the former head of the border force has directly contradicted the account that the Home Secretary gave to the House and to the Home Affairs Committee?

The Rio plus 20 summit, the biggest meeting on the environment in 20 years, has been moved to avoid a clash with the diamond jubilee celebrations and to allow the attendance of all 54 Commonwealth leaders, but, despite the Prime Minister's pre-election pledge to lead the "greenest Government ever", we hear this week that he does not plan to attend. Does the Leader of the House agree that, by not attending, the Prime Minister is failing to show any leadership at all on climate change, despite his pre-election posturing and husky-hugging photo calls? Is it not now clear that the Government's green credentials are being put in the bin quicker than the constituency correspondence of the Minister of State, Cabinet Office, the right hon. Member for West Dorset (Mr Letwin)?

Speaking of privacy, I note that in the run-up to James Murdoch's second appearance before the Culture Media and Sport Committee this morning, it has become clear that at least one Committee member has been subject to covert surveillance by News International. We know also from the comments of former members of the Committee that they were initially reluctant to pursue the phone hacking scandal with full rigour because they feared that they would be targeted in exactly the same way. Did the Prime Minister know about that when he decided to give Andy Coulson a job at the heart of Downing street? If not, why not? Given those extremely disturbing developments, which touch directly on the rights of Members of this House to pursue the truth without fear of intimidation, can we have a debate on Select Committee powers?

Sir George Young: I endorse what the hon. Lady said at the beginning of her remarks. Many of us will be at Remembrance day services on Sunday, and I am grateful to the House for enabling a portcullis to be prepared that Members of Parliament can insert in the wreath. I commend the Royal British Legion for its work in making that facility available.

On next week's business, discussions took place through the usual channels on the Adjournment of the House on Tuesday and the House has voted on the matter. I say to the hon. Lady that if she compares the first two years of this Parliament with the first two years of the previous Parliament, she will find that we are sitting longer than our predecessor. It is also the case that we are regularly sitting in September. We sat in September last year and this year and we will do so next year, whereas we did not sit in September in the previous Parliament, so it is not the case that the House is not sitting as long as it has done.

I announced the dates of the Easter recess well in advance. We did not get the date of the 2010 Easter recess until a fortnight before it happened. The Queen's Speech will be announced in the usual way. I hope that the hon. Lady will encourage good progress to be made in the other place with the Government's legislative programme. I made a statement, I think, last year on the fact that the Queen's Speech will be held in May to coincide with the fixed election dates of every five years, so that matter has already been dealt with. The Chancellor will make his statement on November 29, which will include the Office for Budget Responsibility's updated forecast.

The hon. Lady asked about the reports referred to in yesterday's debate. The chief inspector's report will be made public, as the Home Secretary confirmed yesterday. The other two reports have data protection issues concerning disciplinary matters and will not be made public. On the related matters of the Department for Culture, Media and Sport and Leveson, it makes sense to await the outcome of the Leveson inquiry and the current DCMS report.

On Select Committee powers, we are committed to publishing a draft privilege Bill, which will be an opportunity for the House to consider issues of privilege. I anticipate that Select Committee powers will be embraced in that draft Bill.

Mr Bone: I did not support next week's closure of Parliament, but I suggest that the hon. Member for Wallasey (Ms Eagle) did. Given what is happening in the eurozone and the fact that interest rates are very high for Italian bonds, it appears that the euro is on its

[Mr Peter Bone]

last legs. If the euro collapses next week, will the Leader of the House recall Parliament so that we can debate that joyful occasion?

Sir George Young: My hon. Friend will know that the Prime Minister made a statement following the G20 meeting earlier this week. The House normally requires two days' notice to be recalled, and as we are not sitting for only two days, I am not sure that I can respond positively to his request.

Natascha Engel (North East Derbyshire) (Lab): The Leader of the House will not be surprised to hear that I am going to raise the matter of e-petitions again. Many e-petitions are being started by national newspapers and, as a result, are breaching the 100,000 signature threshold in under a week. The fact that e-petitions are being passed on to the Backbench Business Committee means we are becoming an e-petitions committee, rather than a Backbench Business Committee. Will he consider as a matter of urgency—preferably next week—allocating time specifically for e-petitions in Westminster Hall, to give us some breathing space until the Procedure Committee makes its recommendations in a report on how to deal with e-petitions in the long run?

Sir George Young: I believe e-petitions have been a success in building a bridge between people and Parliament and in ensuring that the House's diet reflects the interests of those outside. I welcome what the hon. Lady's Committee has been able to do so far in finding time to debate e-petitions and I recognise that the success of e-petitions has increased pressure on it. We are committed to a review of the Backbench Business Committee, and concurrently there is a review of the calendar of the House. That is the right context in which to visit the issue she rightly raises of the increased pressure on her Committee to find time for debates.

Mr Christopher Chope (Christchurch) (Con): Can we have a statement on the rate of interest we will be charging on the first tranche of the loan to Ireland? Some £400 million was paid to Ireland on 14 October. In an answer to a parliamentary question, I have been told that we have not yet agreed on the rate of interest, but that it will be significantly lower than it was at the time we discussed the matter in the House, earlier in the year, despite the fact the Irish Government bond rate is still well over 8%.

Sir George Young: I point out to my hon. Friend that we are debating related issues—the International Monetary Fund and the eurozone crisis—in Westminster Hall next Tuesday, when I expect a Treasury Minister to be responding. There will an opportunity for my hon. Friend to raise that question in that debate, which I am sure he will want to attend. I will ensure that the Treasury Minister is forewarned about where he is coming from.

Eric Joyce (Falkirk) (Lab): As you know, Mr Speaker, there will be presidential elections in the Democratic Republic of the Congo on the 28th of this month. Substantial evidence, which I have here, is emerging that a named individual, in collusion with some senior politicians in the DRC, is extracting billions of dollars of value, probably unlawfully. Will the Leader of the House find time for a debate on that subject?

Sir George Young: If there is any question of criminal activity, the appropriate authority is the police. I am sure that the hon. Gentleman has taken the necessary steps to draw the matter to their attention.

Mary Macleod (Brentford and Isleworth) (Con): The Mayor of London has worked hard to champion the effect that financial services and the City have on the overall UK economy. May we have a debate on how we can help in a positive way and work with the City to create jobs and growth for the future?

Sir George Young: My hon. Friend is right to remind the House that financial services make a substantial contribution to Government revenues. With London as a financial service centre, we have a competitive advantage over many other countries. My right hon. Friend the Chancellor has that matter at the front of his mind, and I suggest she awaits his statement at the end of the month.

Andrew Miller (Ellesmere Port and Neston) (Lab): As hon. Members on both sides of the House would agree, some good progress has been made towards the changing structure of British Waterways and our fantastic canal network; however, discussions are ongoing on the transitional funds for the new trust. Can we be assured that there will be a debate in the House to deal with those important questions before any irrevocable decisions are taken?

Sir George Young: I understand that the matter may be subject to the Public Bodies Bill, which is still going through Parliament. I will bring the hon. Gentleman's concern to the attention of my right hon. and hon. Friends at the Department for Environment, Food and Rural Affairs and seek to get the assurance he wants about the assets that are about to be transferred.

Andrew Jones (Harrogate and Knaresborough) (Con): May we please have a debate on the growth of academies? Nationally, under the coalition, the number of academies has grown sixfold, but in my constituency almost half the schools have become academies in just the past few months.

Sir George Young: I am grateful to my hon. Friend for drawing attention to the sixfold increase in the number of academies since this Government came to office. Standards have increased in those schools, and in many cases, academies are linked to other schools in the same area and are driving up standards broadly. I would welcome such a debate, but I cannot promise one in the coming fortnight.

Roberta Blackman-Woods (City of Durham) (Lab): The right hon. Gentleman will know that a report issued by PricewaterhouseCoopers this morning shows that Wales and the north-east are suffering most from the economic downturn and his Government's disastrous policies. He will also know that the regional growth fund is neither strategic nor large enough to address widening regional inequalities. Will he make time available to have a debate on what his Government are doing—or not doing—to address the growing north-south divide?

Sir George Young: I am sure the hon. Lady does not want to be too dismissive of the regional growth fund, which is structured in such a way to assist those areas that have been overdependent on public employment for much of their job creation. We have taken other initiatives, such as enterprise zones and the investment in apprenticeships. I repeat to her what I said to an earlier questioner: how we promote growth is at the forefront of my right hon. Friend the Chancellor's mind, and I urge her to await his statement at the end of the month.

Mark Lancaster (Milton Keynes North) (Con): May we have a debate on renewable energy to discuss whether the time has come to follow the Danish model wherein local communities, which often see no direct benefit from wind farms, are compensated by developers should there be a loss of local amenities and a reduction in house prices?

Sir George Young: I will bring my hon. Friend's suggestion to the attention of my right hon. Friend the Secretary of State for Energy and Climate Change. My hon. Friend will know that built into the planning system are incentives that encourage local people's benefiting from some of the planning approvals awarded, particularly in the case of new development, and I will see whether that might be extended. My understanding is that in many cases there are benefits to the local community where, for example, wind energy is harnessed and that energy can be used in the first instance by local people.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Given the increasingly perilous situation surrounding Iran developing nuclear weapons, may we have an early debate on the subject, which should be attracting the attention of this House? Such a development would destabilise the middle east, and many of us are very worried about what the reaction of Israel might be.

Sir George Young: I am not sure whether the hon. Gentleman was in the House yesterday when my right hon. Friend the Foreign Secretary made a statement in which he spent some time on Iran. He made it clear that, while nothing should be taken off the table, in the meantime we prefer a diplomatic approach combined with adequate pressure on Iran to see whether we can try to find a stable solution to what is, I agree, a rather dangerous position.

Mr William Cash (Stone) (Con): Today I have written to the Leader of the House to say that the European Scrutiny Committee is deeply disturbed by the lack of formal parliamentary debate on the eurozone crisis. We have taken a unanimous decision to call on the Government to give Government time as soon as possible for a full three-hour debate on the Floor of the House. We are also calling on the Chancellor of the Exchequer to give evidence to the Committee in person. Will the Leader of the House grant that wish?

Sir George Young: The House has found time to debate matters relating to Europe: we recently had a debate on the referendum, and the Government provided a whole-day debate on the Council of Europe, so it is not the case that Europe has been entirely absent from our agenda. I have announced that there will be a debate on the accession of Croatia to the European Union. I am not sure whether my hon. Friend has put his request to the Backbench Business Committee. He will know from the business I have announced today that the Government are providing time for general debates—there is one today on armed forces personnel and one on security on Monday week—so I do not rule out at some point a debate along the lines he has suggested.

Ian Austin (Dudley North) (Lab): Is it not obvious to all of us that the reason the House of Commons is not going to be sitting next Wednesday and Thursday is so that the Prime Minister will not have to stand at the Dispatch Box on the day the new unemployment figures come out? If we are not here next week, I will be working hard in Dudley. I am sure the Prime Minister has already booked another one of his fancy foreign holidays. [HON. MEMBERS: "Oh!"] Conservative Members might not be interested in unemployment, which is why they all voted to skive off next week, but I would much rather be here working out how we can deal with the record levels of unemployment that this Government have inflicted on Britain.

Sir George Young: The hon. Gentleman is obsessed by some conspiracy theory. The Prime Minister spent two or three hours before the Liaison Committee this week; he comes before the House regularly on Wednesdays; and he has made more statements than his predecessor. I think the person who will be most relieved that there is no sitting next Wednesday is the Leader of the Opposition. We take unemployment seriously. We had a debate yesterday, when the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), and my hon. Friend the Minister for Further Education, Skills and Lifelong Learning set out what we are doing to address the high level of unemployment that we inherited from the Labour Government.

Stephen Hammond (Wimbledon) (Con): Earlier this week, I was walking down Whitehall and a piece of paper from a gentleman called Mr Livingstone was thrust into my hand. It purported that he was going to have a fares freeze on transport in London. Imagine my surprise when I got back to my office and looked at the history, only to discover that last time he promised to do that, when elected he put up fares by 10%. May we have a debate on transport in London so that innocent Londoners can be made aware of the outrageous claims of this man?

Sir George Young: I would welcome such a debate. Of course, if fares were cut, that might have a read-across to the capital programme, including Crossrail and the tube upgrades. I am sure that Londoners are far too sophisticated to be misled by the sort of piece of paper of which my hon. Friend was the recipient earlier this week.

Kevin Brennan (Cardiff West) (Lab): The "Not in my Cuppa" campaign by the World Society for the Protection of Animals was successful in defeating a mega-dairy proposal in Nocton, Lincolnshire, but we now discover that a vote by six councillors in Powys, against officers'

[Kevin Brennan]

advice, means that one may be built in Wales. May we have a debate on protecting animal welfare and resisting these mega-dairies?

Sir George Young: I think that that is more a matter for Ministers at the Department for Communities and Local Government or, if it is a delegated matter, for the Welsh Assembly. I will draw the hon. Gentleman's concern to the attention of the relevant Minister, but we are anxious to devolve decisions and we believe that most of those decisions are best taken at local level rather than here in Whitehall.

Penny Mordaunt (Portsmouth North) (Con): Now that this House has voted to bring an end to the racketeering that is clamping on private land, we should not lose sight of the fact that until April next year many, often vulnerable, people will still be caught out by unscrupulous firms. May we have a statement to set out what can be done for my constituents who have had tickets issued by City Watch for cars they do not own, when they were at home, or before they arrived in the car park, or who have been clamped while administering emergency first aid to a fellow patron? Perhaps most disgracefully, the vehicles of the elderly and disabled have been towed away and they have then been issued with four-figure fines.

Sir George Young: I am grateful to my hon. Friend. She will know that the Protection of Freedoms Bill, which is currently in another place, bans the clamping of vehicles on private land. In the meantime, I applaud what she is doing to protect vulnerable people from the activities of clamping authorities. I commend all Members of Parliament to do what she has done and, where appropriate, if they cannot reach a resolution with the clamping company, to raise cases with the Security Industry Authority or the British Parking Association. She reminds the House of how important it is that that Bill should reach the statute book and that such abuses should not take place again.

Mrs Madeleine Moon (Bridgend) (Lab): May we have a debate on the child protection implications of the Government's policy of increasing to 35 the age of those who will receive only shared accommodation housing benefit? Crisis estimates that 50% of those affected have regular contact with their children. Where are these children to sleep on overnight visits to their separated parent? Are they to sleep in their parent's room or on the sofa in the shared accommodation? Are there to be enhanced disclosure checks on the other residents in the shared property to ensure the protection of these children? Can we debate the implications for children placed at risk by this Government policy?

Sir George Young: The hon. Lady will know that there have been some broader changes to housing benefit regulations whereby people of an older age are expected to continue to share with their parents, but I am not sure whether that is the issue she has in mind. If she is concerned about child protection, then yes of course I will raise that with relevant Ministers and make sure that we do not put children unnecessarily at risk because of the changes.

Mr Robert Syms (Poole) (Con): I am getting e-mails from people who think that the fair fuel motion on the Downing street website is what we are debating next Tuesday, but of course we are debating a different fair fuel motion. Is not this misleading people that they are getting something that they are not, and should not we review the whole e-petition process and perhaps the way that the Backbench Business Committee gives out business?

Sir George Young: There is a commitment to review the work of the Backbench Business Committee, which could embrace the issue of e-petitions. It is the case that an e-petition will not be debated, either here or in Westminster Hall, unless it is adopted by a Member, and the Backbench Business Committee then has the freedom, along with the Member who has presented the petition, to decide on what basis the debate should take place; and it might then be, as my hon. Friend said, a different debate. When we review e-petitions and the Backbench Business Committee, we could see whether there should be the latitude that we have at the moment or whether an e-petition should be debated automatically, regardless of whether any Member of Parliament wishes to put the motion forward.

Geraint Davies (Swansea West) (Lab/Co-op): A speech and language therapy programme at Feltham young offenders institute that reduced reoffending from 80% to 17% has been cut to save money. Does the Leader of the House accept that that is a false economy? Will he grant an urgent debate on the use of speech and language screening before prison and before school, as well as programmes to reduce offending and reoffending and to reduce the number of those not in education, employment or training, which at 20% in Swansea is the highest in Wales?

Sir George Young: I applaud the work that is done at Feltham with often very vulnerable and disturbed young people. We had Justice questions on Tuesday; I am not sure whether the hon. Gentleman had an opportunity to raise the matter then. I will raise it with appropriate Ministers at the Ministry of Justice and see whether there is a way to protect that important programme.

Angie Bray (Ealing Central and Acton) (Con): Will my right hon. Friend join me in congratulating the new Metropolitan Police Commissioner on the "total policing", as he calls it, which saw a successful conclusion to yesterday's protest in London? The Mayor of London is on target to put an extra 1,000 police officers on the streets of London by the end of this term of office. May we have a debate on the effective deployment of police officers when tackling public disorder and protest?

Sir George Young: I am delighted that yesterday's protest went off peacefully. I commend the work of the Mayor of London on reducing crime in the capital and ensuring that there are more police patrols, for example by having single patrolling. I am sure that Londoners will recognise the wisdom of his administration when they go to the polls next year.

Mr Dave Watts (St Helens North) (Lab): Two weeks ago, the Chancellor told me and this House that he had no intention whatsoever of bailing out the euro. We now know that he will use the International Monetary

Fund to put billions of pounds of taxpayers' money into bailing out the euro. May we have a debate or a statement on this issue?

Sir George Young: We have had a statement on that issue. The Chancellor of the Exchequer was at this Dispatch Box a week ago and he answered the precise question that the hon. Gentleman has put. I refer him to *Hansard*.

Andrew Stephenson (Pendle) (Con): In the past year, a £3.5 million rebuild of Whitefield infant school in Nelson and a £4.2 million total rebuild of Laneshawbridge primary school in Colne have been agreed. However, last Friday I visited Barnoldswick Church of England primary school, which has very cramped buildings. A rising birth rate in the area means that there is a lack of school places in the town. A total rebuild of the school is long overdue. May we have a debate on Government funding for additional school places?

Sir George Young: I will draw my hon. Friend's remarks to the attention of the Secretary of State for Education. We have put extra funding into additional school places, with a total of £1.3 billion. We have preserved the capital programme, despite the difficult decisions that we have had to take. I will ask my right hon. Friend to write to him about the school to which he referred.

Mr David Hanson (Delyn) (Lab): May I try once again to get the Leader of the House to secure an urgent debate before 12 December on the proposed changes to the feed-in tariff regime, which will be very damaging to the economy of north Wales? I know him to be a fair man and I am sure that even he will accept that it is an abuse of this House when a policy is implemented 11 days before the consultation on that policy closes. My constituents cannot express their concerns and manufacturers will lose £12 million over the next three months because of the changes proposed by the Government before the consultation has even concluded.

Sir George Young: I understand the concern that the right hon. Gentleman expresses. He will have had an opportunity to register that concern when the Minister of State, Department of Energy and Climate Change, my hon. Friend the Member for Bexhill and Battle (Gregory Barker) addressed the House on feed-in tariffs on Monday last week. He will know that the position we inherited was unstable and unsustainable. There was no mechanism for responding to increased demand and the lower cost of solar panels. If my hon. Friend had not announced those changes, there would have been an extra burden on consumers and the available sum would have run out. That is the background to the decision. I am afraid that I cannot promise a debate before 12 December.

Tracey Crouch (Chatham and Aylesford) (Con): By 2021, the number of people living with dementia is predicted to rise to more than 1 million. There is active interest across the House in how we will deal with this ticking time bomb. Will the Leader of the House consider holding on the Floor of the House a general debate on dementia so that we can discuss this issue in detail?

Sir George Young: That is a timely request, because earlier this week we launched a campaign to raise the awareness of the early signs of dementia and to encourage people to come forward, have the symptoms treated and get the support that they need. My hon. Friend will know that we launched the national dementia strategy a year ago to drive up the quality of service that we provide. I would welcome such a debate and I can only suggest that she goes to the Backbench Business Committee or applies to Mr Speaker for a debate in Westminster Hall on a Tuesday or Wednesday.

Derek Twigg (Halton) (Lab): Has the Leader of the House seen the article in *The Times* today which suggests that the National Memorial Arboretum is facing a funding cut? That has been denied by the Ministry of Defence. Will he arrange for an urgent statement from the MOD to set out what the funding will be in the current financial year and in future years? This is a great memorial and it is an excellent way to mark the sacrifices of our servicemen and women. I was there only a few weeks ago with Greek veterans from the second world war, when I saw for myself once again what a wonderful memorial it is.

Sir George Young: I agree with hon. Gentleman. I assure him that there are no plans to reduce the grant in aid that we give to the National Memorial Arboretum. If he is able to stay, there will be a debate in a few minutes on related matters, during which he may have an opportunity to develop his case. The Government take this matter seriously. As he knows, we also support the Commonwealth War Graves Commission to the tune of some £45 million. We place a premium on the work of both those organisations.

Rehman Chishti (Gillingham and Rainham) (Con): Last week, following a phone call from a journalist, I discovered that a fake Twitter account had been set up by somebody purporting to be me, which I found completely unacceptable. That can happen to anyone across the country and can cause unnecessary nuisance. I ask the Leader of the House for an urgent debate on the responsibilities of social media and networking sites, and on whether one should have to provide some form of identification to set up an account.

Sir George Young: I am grateful to my hon. Friend for raising that matter. No one has done me the flattery of setting up such an account in my name, so far as I am aware. I think that I am right in saying that social media organisations usually insist on the name being the same as that of the applicant. If there is any question of impersonation, there is a process by which they take the account down. Of course, if any fraud were involved, it would be a matter for the police. I will raise with Department for Culture, Media and Sport Ministers the abuse to which my hon. Friend has referred. I hope that no lasting injury has been done to his reputation.

Fabian Hamilton (Leeds North East) (Lab): Over the past few weeks, 12 Tibetan nuns and monks have set fire to themselves in protest at the treatment of the Dalai Lama and the Tibetan people in China. Lhamo Tso, the wife of the acclaimed film maker Dhondup Wangchen, who is currently serving six years in prison for making a film about the abuse of human rights in Tibet, is

[Fabian Hamilton]

currently in the United Kingdom to draw attention to the plight of her husband, who only exercised his right to free speech under the Chinese constitution. Will the Leader of the House make time for a statement or a debate on human rights abuses in Tibet?

Sir George Young: The hon. Gentleman makes a forceful case and rightly draws attention to the abuse of human rights. I cannot promise time for a debate, but perhaps he would like to apply for an Adjournment debate so that we can debate this issue at greater length and so that my right hon. Friend the Foreign Secretary or another Foreign Office Minister can outline the representations that we are making to seek to end these injustices.

Mr Edward Timpson (Crewe and Nantwich) (Con): Following the announcement of the Olympic torch route before next year's London games, the highlight of which will be on 31 May when the torch travels through Crewe in my constituency, may we have a debate on spreading the Olympic spirit, so that we can discuss how communities outside London can be more involved in the Olympics and how we can ensure that there is a strong Olympic legacy?

Sir George Young: I think that 11 July is the operative day, because that is when the torch will go through north-west Hampshire. We all have a role to play in spreading the Olympic message. I know that Department for Culture, Media and Sport Ministers are anxious that all parts of the United Kingdom should benefit from the Olympic games. I would welcome such a debate and, again, I can only suggest that my hon. Friend applies for one on the Adjournment or in Westminster Hall.

Jim Shannon (Strangford) (DUP): Will the Leader of the House consider a debate or a statement on extending the game shooting season into February? Discussions on that matter should include the British Association for Shooting and Conservation, the Countryside Alliance, the Game and Wildlife Conservation Trust and other shooting bodies to seek their opinion.

Sir George Young: The hon. Gentleman tempts me from my comfort zone. The end of the shooting season has been at the end of January for some time. There may be all sorts of implications if it was extended. I will raise with the appropriate Minister, who I assume is at the Department for Environment, Food and Rural Affairs, whether this issue ought to be discussed and whether there are good reasons for moving away from the traditional beginning and end of the shooting season.

Kris Hopkins (Keighley) (Con): The Leader of the House will be aware of requests from local and regional press for more accreditation for next year's Olympic games. This week, I received a letter from the chairman of the British Olympic Association, Lord Moynihan, in which he promised to continue to lobby the International Olympic Committee to grant those requests. Can we have a statement from the Secretary of State for Culture, Olympics, Media and Sport to make it clear that Lord Moynihan's commendable efforts have the full support of the Government?

Sir George Young: I am grateful to my hon. Friend for raising that issue. Yes, I will raise it with the Secretary of State and see whether we can get the sort of assurance for which he asks.

Gavin Williamson (South Staffordshire) (Con): Codsall high school is one of the top-performing schools in the country for the teaching of physics and science, which is down to the passion, dedication and enthusiasm of the staff. May we have a debate in this Chamber about how we can encourage more of our best graduates to go into the teaching of physics?

Sir George Young: My hon. Friend will know that the day before yesterday, the Education Secretary announced a £2 million a year partnership between the Department for Education and the Institute of Physics to do exactly what he has just referred to, namely attract the best graduates to become physics teachers. About 100 scholarships, worth £20,000 each, will be available every year for appropriate graduates. I am sure my hon. Friend will draw that scheme's availability to the attention of his constituents.

Karen Bradley (Staffordshire Moorlands) (Con): May I echo the earlier request of my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones) for time for a debate on academies, and particularly the success of the academy programme under this Government? As I understand it, at the end of last month more than 1,300 schools had become academies, including Biddulph high school in my constituency.

Sir George Young: My hon. Friend is quite right. Under the coalition, the number of academies has increased sixfold from 203 in May 2010 to 1,350 this October. Some 1,526 schools have been able to apply to become academies, and 1,031 have already been converted. As I said in response to my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones), 116 underperforming schools have been replaced by academies since May 2010, and more than 40% of all secondary schools are now open, or in the process of opening, as academies.

James Morris (Halesowen and Rowley Regis) (Con): May I join other hon. Members who have advocated a debate on the success of academies, especially in areas such as Sandwell, part of which I represent, where a recent Ofsted report gave four out of five academies in the borough good or outstanding ratings, compared with less than half the local education authority-run secondary schools?

Sir George Young: My hon. Friend draws attention to a valuable part of the academy programme, namely the freedoms that academies have, which have been put to good use. The standard of education in the schools that have become academies normally exceeds the standard in those that have not, so there is evidence that we are driving up standards in our schools by taking forward the academy programme.

Gavin Barwell (Croydon Central) (Con): The Mayor of London has helped to fund additional trams for the Croydon Tramlink system and completed the extension of the East London line to West Croydon on time and on budget. May I join my hon. Friend the Member for Wimbledon (Stephen Hammond) in pressing the Leader of the House for a debate on how our public transport system in London is being transformed, and on the grave threat of Ken Livingstone's proposal to strip £800 million from Transport for London's investment programme?

Sir George Young: As the Secretary of State for Transport who gave the go-ahead to the Croydon Tramlink, I particularly appreciate that reference.

I would welcome a general debate on London. My hon. Friend is right that there is a trade-off between lower fares and the investment programme. If we want to make progress with Crossrail and the upgrade of the tube lines, we need the revenue that the Mayor is currently planning to get from the fare box. If that revenue went down, there would be a knock-on effect on the capital programme.

Christopher Pincher (Tamworth) (Con): I have recently received menacing letters from paid trade union lobbyists. May we have a debate on trade union lobbying, and particularly its influence on Labour party policy? We learned yesterday in Prime Minister's questions and in points of order that it exerts considerable influence over Labour, and a debate would enable our constituents to learn the full extent of it.

Sir George Young: I would welcome such a debate. My hon. Friend is right—at the moment, some 82% of the Labour party's revenue comes from the trade unions, a figure that went up under the last Administration. I would be very happy to have such a debate. We also await with interest the report of the Committee on Standards in Public Life on the broader issue of party funding.

Neil Carmichael (Stroud) (Con): Does the Leader of the House agree that it is urgent that we integrate the NHS with social care, so that we can provide transparent, accountable and holistic delivery to those who require support?

Sir George Young: I quite agree with my hon. Friend. He may know that there is a debate later today in Westminster Hall on social care and that the Health and Social Care Bill is now in another place. We want to break down the iron curtain that has historically existed between health and social care. The establishment of health and wellbeing boards and of personal budgets, to which both social services and the health service will contribute, is helping to break it down and provide a more cohesive service to those in receipt of social or health care.

Bob Blackman (Harrow East) (Con): As others have mentioned, the Mayor of London has committed himself to raising fares on the underground by RPI plus 2% to get much-needed investment for the underground. His Labour opponent, however, has committed himself to cutting fares by 5% and not raising them until at least 2014. That would mean London being deprived of £835 million of investment in the tube service that we desperately need. May we therefore have a debate on how we can encourage investment in public transport in London and across the country, so that we can expose the lies of the Labour party?

Sir George Young: My hon. Friend underlines a point made by other London MPs who are concerned that the infrastructure of the capital should be improved. I commend the Mayor of London and the former Secretary of State for Transport for the agreement that they reached on a settlement going up to 2014-15, which will enable a capital programme of some size to go ahead. That capital programme would be affected if the revenue stream that the Mayor has anticipated were to be eroded, and all Londoners would suffer a disbenefit because the improvements that they are looking forward to would not take place.

Richard Graham (Gloucester) (Con): This week, the Muslim festival of Eid is celebrated. I was delighted last night to accompany a Muslim community leader from my constituency to No. 10 Downing street to celebrate the festival, and to hear from the British Army's Muslim chaplain a moving description of his months with the international security assistance force in Afghanistan, and his praise of it. Does the Leader of the House agree that the role and contribution of British Muslims in our armed forces in rebuilding Afghanistan is under-appreciated? Will he help me identify an opportunity for Members to hear from our Army's Muslim chaplain directly?

Sir George Young: I can accede to my hon. Friend's request, somewhat unusually. If he stays in his place for about two minutes, he will have an opportunity to take part in a debate on armed forces personnel. I cannot think of a better debate in which he could participate in order to make the point that he has just so eloquently touched on.

Point of Order

12.47 pm

Kevin Brennan (Cardiff West) (Lab): On a point of order, Madam Deputy Speaker. Can anything be done to stop Ministers using the Lloyd George principle when answering written parliamentary questions? When he got lost in north Wales once, he asked a farmer where he was and got the answer, "You're in your car." Lloyd George said that that was the perfect parliamentary answer from a Minister, because it was short, accurate and told him absolutely nothing he did not know already. I have had to resubmit all my recent questions to the Department for Education, because they have not been answered. Would we not save a lot of time and money if something were done about that?

Madam Deputy Speaker (Dawn Primarolo): I am sure the hon. Gentleman appreciates that the quality of answers from Ministers is not the responsibility of the Chair; nor is the point that he has made a point of order. He has none the less made his point very clearly, and I am sure the Leader of the House will want to ensure that Ministers answer all questions promptly, directly and accurately.

Armed Forces Personnel

12.48 pm

The Minister for the Armed Forces (Nick Harvey): I beg to move,

That this House has considered the matter of Armed Forces Personnel.

Tomorrow, at the 11th hour of the 11th day of the 11th month, the nation will unite in an act of remembrance. We will honour the memory of all who have paid the ultimate price in the service of their country. In November 1919, on the first day of remembrance after the great war, King George V asked that the nation observe a two-minute silence in memoriam, so that, in his words,

> "in perfect stillness, the thoughts of everyone may be concentrated on reverent remembrance of the glorious dead."

I am sure the whole House will join me in urging the nation once again to observe remembrance, as it does every year, with that same deep respect.

Remembrance is not a political occasion, and it is not about one's personal views on this conflict or that. It is about recognising that the real price of war, any war, is a human price—a price paid not just by those who have died but by their families and by all those who have returned wounded, physically or mentally. We therefore remember the hundreds upon hundreds of thousands of people from the UK and the Commonwealth who fought and fell in the two world wars of the last century.

This is also about those who have fought for the country in more recent times. Next year will mark the 30th anniversary of the Falklands conflict, in which 253 members of Britain's armed forces were killed liberating the islands. This year marked the 20th anniversary of the 1991 Gulf war, in which 44 service personnel were killed.

Derek Twigg (Halton) (Lab): Will the Minister shed some light on this matter? *The Times* today says that there is a cut in the funding for the National Memorial Arboretum. The Ministry of Defence has said that that is not correct and the Leader of the House previously said that there was no cut in grant in aid. Will the Minister confirm that there is no cut in any funding streams from Government sources to the arboretum, in which, as he will know, I took a very close interest when I was veterans Minister?

Nick Harvey: I can give the hon. Gentleman the assurance he seeks. There has been no cut in the funding of the National Memorial Arboretum. I am afraid that the journalists, in framing their story, did not compare like with like. They counted in the previous figure a one-off capital grant and conflated that with the annual grant in aid, which had the effect of making it appear that there had been a cut. There has been no cut: the level of grant in aid remains as it was, and the capital works for which the previous project money was granted by the previous Government are now complete.

Mr Tobias Ellwood (Bournemouth East) (Con): My hon. Friend is absolutely right to begin his speech by recognising Remembrance day. All hon. Members will wear poppies tomorrow and on the weekend to pay tribute to those who have been either killed or injured in the wars. However, will he join me in condemning a small but naive group among the younger generation who choose to desecrate, damage and rob war memorials, which shows a growing distance between a younger generation and a generation who made the huge sacrifices for the very freedoms that we enjoy today?

Nick Harvey: It is a pleasure to see my hon. Friend in his place today, and I should like to thank him for his work in his previous role as a Parliamentary Private Secretary in the Ministry of Defence. I entirely agree with what he says. It is a tiny minority who behave in that completely deplorable manner. I am sure that all like-minded people would have no hesitation whatever in condemning them and in applauding the work not only of the Commonwealth War Graves Commission, but of local authorities and others up and down the country who work assiduously to maintain war memorials.

The 1991 Gulf war was not the end of the loss of British lives in Iraq. One hundred and seventy-nine were killed on Operation Telic between 2003 and 2009. Last month, we marked 10 years since the beginning of operations in Afghanistan, where 385 servicemen and women have been killed. The House will have heard about the death of a soldier from 4th Battalion the Yorkshire Regiment on patrol in Helmand yesterday. Our thoughts are with his family at this difficult time as they come to terms with their loss.

My right hon. Friend the Secretary of State for Defence is in theatre as we speak, preparing to observe Remembrance day with our troops there. That is because while we honour the memory of those who have died, those who fought and those who returned bearing the wounds of war, we keep in mind all those currently serving in our defence. I am sure the whole House will join me in paying tribute to them. Those serving do a very dangerous job not only on operations, but in their many other duties, as the sad death of Flight Lieutenant Sean Cunningham of the Red Arrows reminds us.

Mr Edward Leigh (Gainsborough) (Con): I do not want to repeat what I said yesterday to the Prime Minister—there is no need—but on the wider issue of personnel, my hon. Friend will want to take this opportunity to emphasise that the Ministry of Defence will leave no stone unturned to ensure the safety of the Red Arrows and their personnel. We want to keep RAF Scampton open because the skies are safe there. However, personnel directly suffer iniquities from the RAF closing bases and not thinking about the future. There is further reportage in today's papers on the return of all personnel from Germany by 2020. Will the Minister bear it in mind that we have a wonderful base in RAF Scampton, which could remain open to welcome back those who are returning?

Nick Harvey: I note what my hon. Friend says and I shall draw his remarks to the attention of the RAF, but in respect of this week's fatal accident, I must stress that the Military Aviation Authority is beginning a full and proper investigation of what happened and what led to the tragedy. It would be quite improper for me, as a Minister of the Crown, to say anything at this stage that would pre-empt that process. In the fullness of time, I have no doubt whatever that he and others will have the opportunity to raise questions about that.

The armed forces of today are different in many ways from those who fought on the Somme or at El Alamein. The conscription that created the massed forces of the world wars was a reflection of the existential threat facing the country at that time. When world war two ended in 1945, there were around 5 million men and women in uniform. Almost every family in the country was connected in some way to the sacrifice that had been made, and service in the armed forces was woven deeply into the fabric of the nation, but for many years now, our armed forces have been a smaller, professional, all-volunteer force, including reserve forces, which have been used widely in recent conflicts.

As the older generations who fought in the world wars or undertook national service dwindle, and as the services have reduced in size since the end of the cold war, public understanding of our armed forces has declined as a result. I am suggesting not that the respect and esteem in which our armed forces are held by the nation has in any way diminished—the way the people of Royal Wootton Bassett chose to mark the return of the fallen is surely testament to that—but that people understand less how members of the armed forces view risk and reward, and what motivates them to do the dangerous job they do.

What a life in today's armed forces is like and the impact that service life has on modern families is also less widely understood. That is why, as we seek to reinvigorate the armed forces covenant, we must raise people's understanding of the impact of service life. Fulfilling the armed forces covenant has to be a whole-of-society enterprise: it is not just for the Ministry of Defence but for all Departments; it is not just for legislators here in Westminster but for legislators at all levels; and it is not just for the Government, but for charities, the private sector and private citizens.

Mr Julian Brazier (Canterbury) (Con): My hon. Friend is making a thoughtful speech. Does he agree that that challenge will increase markedly once the Afghanistan operation is over as people see less of the armed forces on their television sets? Does he also agree—he may be about to come to this point—that one key area in which we can build that connection is through the Ministry's plans for the reserve forces and cadets?

Nick Harvey: I had a feeling my hon. Friend would intervene on that matter. It is certainly the case—this has been tangible in the past few years—that the amount of media attention that is quite rightly devoted to the conflict in Afghanistan has had an impact on public recognition and awareness of the work that the armed forces are doing. As we know, their conflict or fighting role in Afghanistan is due to end by 2015. I suppose my hon. Friend is right in saying that there could be a risk that public awareness of the daily and regular actions of the armed forces will diminish, but of course, nobody at this stage can anticipate what demands will be put on our armed forces thereafter. In an increasingly uncertain and dangerous world, I fear it is unlikely that our armed forces will disappear or have a period of inactivity, but he is quite right to suggest that the increasing role that we plan for reserves, and the investment that we intend to make to build up their capacity and professionalism in the next decade or so, will, I sincerely hope, have the effect that more people in society will have some connection and contact with those who serve and awareness of what they do.

[Nick Harvey]

I recognise the valuable groundwork done by the previous Administration to reinvigorate the armed forces covenant: the 2008 service personnel Command Paper, produced by the right hon. Member for Coventry North East (Mr Ainsworth) when he was Minister for the Armed Forces, provides much of the intellectual grounding for the first formal tri-service armed forces covenant published in May. He will find the principles in the covenant familiar, particularly where it states:

> "Those who serve in the Armed Forces...should face no disadvantage compared to other citizens in the provision of public and commercial services. Special consideration is appropriate in some cases, especially for those who have given most such as the injured and the bereaved."

Now that the Armed Forces Act 2011 has received Royal Assent, these principles have been recognised in statute for the first time. In my view, that is a considerable step forward, and we are already acting to give the covenant life, particularly through encouraging action at a community level. This is about local authorities, devolved Administrations, charities, businesses, communities and individuals coming together to offer their support to the services and the service community in their local area, and to improve understanding and awareness among the public of issues affecting the armed forces community. That is why we call it the armed forces community covenant. It is a voluntary statement of mutual support between the civilian community and its local armed forces community.

In August, the MOD launched the community covenant grant scheme, which aims to support local projects that strengthen the ties on mutual understanding between members of the armed forces community and the wider communities in which they live. Some £30 million has been allocated to the scheme. The covenant has to be seen to be bipartisan, non-political and as an all-society effort, if it is to be meaningful and lasting. The Labour party should take a share of the credit for the progress being made, given that it put in place some of these useful steps.

Bob Russell (Colchester) (LD): My hon. Friend is right to pay tribute to the previous Government for the measures they took. The veterans badge is another measure that has helped many of our former military personnel to show their support now that they are on civvy street. Does he agree that the armed forces community covenant would be further boosted if those who served in Her Majesty's armed forces—often national servicemen—were allowed an armed forces service medal, which they could wear with pride on Remembrance Sunday? They served King and country, Queen and country.

Nick Harvey: The principle of an all-encompassing medal has been considered several times, but to date, at least, it has been ruled out because it cuts across the usual principles on which medals are issued. For the time being, that remains the situation. I understand the calls that some make for such a medal, but the principles on which medals are awarded will not allow for that, unless they are amended.

Penny Mordaunt (Portsmouth North) (Con): Is the Minister aware of the concern that the armed forces personnel who will be made redundant, but who otherwise would have qualified for the diamond jubilee medal, might not receive it? What is the Department's thinking on that?

Nick Harvey: My hon. Friend makes a very good point. We will take it away and give it some serious consideration, and I shall come back to her and the House in due course. We will need to reflect on that point.

As I said, the armed forces covenant has to be an all-society and bipartisan effort, if it is to be recognised and respected, and if it is to endure.

Mr Nigel Dodds (Belfast North) (DUP): On the point about the principles and practical application of the military covenant applying across the board, does the Minister agree that it has to apply in all parts of the United Kingdom? Will he therefore join me in supporting efforts to ensure that, through legislation, the devolved regions are required to implement and follow through on the military covenant?

Nick Harvey: We certainly want the covenant operating, in practice and effect, across the whole UK. The armed forces are drawn from, and stationed across, the whole UK, and it is certainly our view that this should be a whole-UK effort as well.

Unfortunately, owing to the fiscal situation, we have had to make some difficult decisions to balance the defence programme and to begin building the formidable, adaptable and sustainable armed forces that the country will need for the future. I regret to say that this has also affected the pace and sequencing of measures to improve the welfare of service personnel, their families and veterans. I know that some of the decisions required to bring balance to the defence programme directly affect people—for instance, decisions on pay and allowances, and the decisions to reduce the size of the armed forces establishment. I greatly regret that we have had to take some of these measures, just as I regret the need to cut the defence budget as a whole to contribute to deficit reduction, but that is the reality of the situation the country is in.

Mrs Madeleine Moon (Bridgend) (Lab): Does the Minister agree that one cut that has hit families particularly hard has been the decision not to refurbish 49,000 units of armed forces accommodation? Yet again, many, many families will be spending a desperate winter in unfit and unsuitable accommodation. Will he consider that point, especially in the light of the plans to save £250 million by bringing troops back from Germany? Perhaps some of that money could be invested in our armed forces families' accommodation.

Nick Harvey: Unless I misheard, the hon. Lady suggested that the impact would be felt this winter. The regrettable pause announced to the housing programme will not take effect for another two years, so there is no question of it having a marginal impact this winter. It is a matter of profound regret that we have to pause the programme, but I must stress that the majority of family houses in the defence estate are in the upper two quality bands. Obviously, however, it remains the commitment of any Government to get all the housing into those top two bands over the long term.

I want to make it perfectly clear that routine maintenance and repairs are not affected, and specific improvements to kitchens and bathrooms will continue during the pause. Furthermore, as the coalition agreement states, we will continue to look for savings elsewhere in the Defence Infrastructure Organisation budget, and if we can make them over the next two or three years, we will put them back into the housing improvement programme in due course. I hope very much that we can achieve that. However, the hon. Lady makes a perfectly valid point, and it is one that I acknowledge and regret. I hope that we can do something about it, but this is the reality of the situation in which we find ourselves.

We cannot do all that we would want to do straight away to improve the welfare of personnel, because the money simply is not available. As a result, we have had to prioritise ruthlessly in order to ensure that any extra money that we can spend, we spend wisely and on those things that are most urgent. So let me set out what we have done. First, there is operational welfare: operations have to come first to ensure that those in the firing line have the tools and protection that they need to do the job. That is not just about strategy and equipment, but about ensuring that personnel and their families are looked after too. As Montgomery set out in his principles of warfare,

> "the morale of the soldier is the most important single factor in war".

Bob Russell: The morale of the soldier is uppermost, but following on from the previous question, my hon. Friend has seen for himself examples of where the Government have found money, through the Department for Communities and Local Government, to modernise former MOD housing on one side of a road and into which civilian families are now moving—good news—yet where, on the other side of the road, there are identical but un-modernised houses occupied by the families of soldiers who, this time last year, were serving in Afghanistan. Why can the Government not find the money for soldiers' homes, if they can find it for former MOD homes?

Nick Harvey: As my hon. Friend rightly says, I have seen that for myself. I visited that area earlier this year and I know exactly what he is referring to. He makes a good point, and if I were living in those military houses, I would feel just as put out about it as I know the residents do. I take the point entirely. As I have just explained, we are in a tight financial situation. Other Departments have had to set their priorities and also make big cuts in their budgets. Fortunately for those of my hon. Friend's constituents who happen to live in the other part of the estate, they have had good news sooner than those living in the military housing. However, let me reaffirm the Ministry of Defence's commitment to return to this issue as soon as funds allow in order to ensure that we continue the programme of improving defence housing.

One of the first actions taken by the new Government was the doubling of the operational allowance paid under the previous Government, taking it to over £5,000 for a typical six-month tour. We have changed the rules on rest and recuperation, so that any days of leave lost due to delays in the air bridge or any other operational requirements will be added to post-tour leave. This year we have doubled council tax relief from 25% to 50% for all personnel on operations, including in Libya. The deployed welfare package is kept under constant review to ensure that it meets the needs of both the service person and their dependants. Free phone calls are available for 30 minutes a week. Wi-fi access has been extended in operational areas, while texting and internet facilities have been improved, even in the forward operating bases. Those measures have been particularly important in ensuring that the home front and the front line can provide mutual support at a time that is difficult for families and dangerous for personnel.

Our focus on operations has meant that we have been unable to go as far or as fast as we want in other areas, as is certainly the case with housing, as my hon. Friend the Member for Colchester (Bob Russell) has pointed out. However, that means that the initial key pledges in the coalition agreement have already been addressed. They include not only the operational welfare measures that I have mentioned, but providing university and further education scholarships to the children of members of the armed forces who have been killed since 1990. So far, 49 children have received scholarships. We have also included some 45,000 service children in the pupil premium system, recognising the uniqueness of service life and its effect on service children and service communities.

Mr Brazier: My hon. Friend is touching on an extremely important point. Will he confirm that we have started to return to what was universally recognised should happen until 12 or 13 years ago—that is, the costs falling where they should fall and not on the defence budget? It is the duty of the nation as a whole, not just the defence budget, to look after the children of the fallen.

Nick Harvey: I can assure my hon. Friend that he is quite right about that. The changes made are important, and we have discussed them with colleagues in other Departments. We are pleased that the Government have been able to agree them, but he is absolutely right that the costs will be met where they fall and that the Departments responsible for providing those services will be the ones paying for them.

We have endorsed all the proposals made by my hon. Friend the Member for South West Wiltshire (Dr Murrison) in his report on improving mental health care, in particular: a structured mental health component in existing medical examinations performed while serving; an uplift in the number of mental health professionals conducting veterans outreach work from mental health trusts; the trial of an online early intervention service for serving personnel and veterans; and the means to allow the newly formed veterans information service to contact service leavers after they have left the armed forces. The new round-the-clock veterans mental health helpline is funded by the NHS and run by Rethink Mental Illness on behalf of Combat Stress.

Mrs Moon: Will the Minister confirm that we all owe a huge debt of gratitude to the Royal Marines and charities such as Combat Stress for highlighting the need to focus on mental health issues in the military? They have helped to make mental health issues not something that people hide, but something that they seek help for—something that people are proactive in admitting is becoming a problem and in dealing with

[Mrs Moon]

before it becomes too difficult and damaging for themselves and their families. We owe those groups a debt of gratitude for working to make it acceptable to seek help.

Nick Harvey: We certainly do, and I agree very much with what the hon. Lady says. The Royal Marines were undoubtedly pathfinders in being the first to take measures to address the issue, and I know that the other services have sat up and taken notice of what they did. I believe that awareness of, and attitudes towards, mental health are shifting throughout the services, and I pay tribute to those in the services who have helped to bring that about. However, the hon. Lady is also right to pay tribute to those outside the services who work with them and who are beginning to address what, for many people, is a real problem.

We know from previous conflicts that some of those presenting with symptoms of mental illness as a result of their engagement have sometimes come forward many years later. However, the statistics show that people are coming forward rather sooner from the current operations in Afghanistan and the previous operations in Iraq, and they will probably continue to do so for many years. Far more have come forward far sooner than in the past, which must in some way reflect the changing attitude towards and awareness of the issue, and the growing availability of support and help to people on the outside. I pay tribute to everybody who is involved in all that.

That co-operative structure in delivering support—government at all levels working with professionals and charities—is being taken forward in other areas too. The defence recovery capability, which is a joint venture between the MOD, Help for Heroes, the Royal British Legion and other service charities, is taking the way we support our wounded, injured and sick personnel to a new level. For complex cases, world-class care is provided at the Defence Medical Rehabilitation Centre at Headley Court for serving personnel. Personnel recovery centres and recovery and assessment centres are being established in major garrisons, where recovering personnel will be in a position to take advantage not only of excellent medical and rehabilitation services, but of the full range of facilities in large garrison areas. In prosthetics, the Government will work with service charities, including Help for Heroes and BLESMA—the British Limbless Ex-Service Men's Association—as well as specialists in the NHS, to ensure that high-quality NHS facilities are available to our servicemen and women once they leave service.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): The Hasler unit in my constituency does an enormous amount of work on prosthetics and so on. May I encourage my hon. Friend to come down to Plymouth to see for himself the excellent work being done there?

Nick Harvey: It is very kind of my hon. Friend to issue that invitation, but I have actually already visited and seen the work at Hasler for myself. He is right to pay tribute to the terrific work done there. *[Interruption.]* I did indeed tell my hon. Friend. I visited various parts of the facility in Plymouth, but he was perhaps unaware that the trip was on my itinerary that day. However, he is right: the facilities at Hasler are first class, and I can see the difference that they have made for people. That is an example of good practice that we would hope to emulate everywhere else. The Department of Health will introduce a number of national specialist prosthetic and rehabilitation centres for amputee veterans across the country, because we recognise that they will continue to need help and support throughout their lives. Those are just a few of the initiatives that we have been able to take forward, despite the testing budgetary circumstances we face.

Mr Ellwood: On rehabilitation, I hope that my hon. Friend will join me in paying tribute to the work done at Headley Court, in the same vein as he did to the work that my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) mentioned. Headley Court is due to close down in the near future, so will the Minister provide some clarity on the time frame for when this excellent facility will move further up towards Selly Oak?

Nick Harvey: May I correct my hon. Friend? Headley Court is not due to close in the near future. We are talking about a development that is still a good many years off. The new facility in the midlands will be ready towards the end of the decade. It will be a much bigger facility, and it will initially offer support to armed forces personnel, although we hope that, in the fullness of time, the campus will allow for a modular approach that will enable veterans and members of the wider society to take advantage of it. Also, the clinical support there will be quite close to the Queen Elizabeth hospital in Birmingham, which will enable an even higher standard of care to be delivered. I am pleased to say that all the relevant stakeholders—the trustees at Headley Court, Help for Heroes, the Royal British Legion and others—are entirely aware of the scheme and supportive of it, so I see no reason for it to cause any disappointment or grief.

What has been achieved at Headley Court has been nothing short of remarkable, but we have to recognise that a country house in the Surrey countryside is not the ideal location if we are trying to build a modern, state-of-the-art facility. The opportunity afforded by a completely new build in the midlands will allow us to take what is being done at Headley Court on to a greater scale altogether, which will be of help to a greater number of people. I would not want anyone to think that the move was imminent, but the plans are in place and they will be rolled out towards the end of the decade.

Dr Andrew Murrison (South West Wiltshire) (Con): Real estate is clearly important, but does my hon. Friend agree that one of the chief advantages of the relocation is the potential for far greater integration with the national health service? That will mean that the excellent service provided at Headley Court will be more likely to be emulated throughout our national health service not only for our service personnel but for everyone.

Nick Harvey: I am sure that my hon. Friend is right to say that that will be the outcome. I say again that what has been achieved at Headley Court is absolutely remarkable, and everyone involved deserves the highest praise and thanks from all of us for the work that they do. We must, however, take advantage of the opportunity afforded by the new facility to provide a national centre, which will be of lasting benefit. As I said earlier, some of those who have returned from Iraq and Afghanistan with serious injuries will need support for the rest of their lives, and I am sure that the new national centre will have a part to play in that.

Looking to the future, the strategic defence and security review has set the vision for our people, including the development of a new employment model, which aims to provide an attractive package that better suits the demands of modern life. Those who serve today, and their families, have very different expectations and needs from those of even a generation ago. Moving towards a new employment model will mean looking not only at the terms and conditions of service but at different approaches to basing, accommodation and supporting family life. It is clear that a large number of service personnel and their families would benefit from a more stable lifestyle, involving everything from schooling the children and buying a home to providing better stability for spouses' careers. It is also clear that the defence budget would benefit from such a proposal, as it would enable us to reduce housing stock and relocation costs. It would also allow us to reduce spending on allowances that would be no longer necessary.

On the other hand, the predictability and stability that someone with a growing family seeks might not be the same thing that motivates a young man or woman to join the armed forces in the first place. Their motivations might include learning a trade, seeking adventure, seeing the world or serving their country. Getting the balance right in recruitment and retention at different points in a career will present different challenges for each of the three services. Succeed we must, however, because military effectiveness is not built simply on getting the right equipment; it is built on people. The men and women of our armed forces are the greatest asset we have, and we must ensure that we provide them with what they need to succeed in the dangerous jobs that they do.

Mark Lancaster (Milton Keynes North) (Con): Looking to the future, will my hon. Friend say a few words about how he anticipates members of our armed forces being used in upstream intervention, as outlined by the Government's Building Stability Overseas strategy?

Nick Harvey: My hon. Friend makes a good point. It is perfectly clear that taking pre-emptive measures to prevent conflict can be very successful. It can certainly save many lives and prevent a great deal of suffering, and it will increasingly become part and parcel of our work. I am reminded of an analogy that the right hon. Member for Coventry North East used when he was Defence Secretary. He said that the logic of defence was akin to that of a football match. We do not defend our own goal by sticking all our players on the goal line; we do it by keeping our players at the other end of the pitch. Similarly, sending people out to try to the tackle problems before they arise is always the most effective approach, and it will be part and parcel of what we do in future.

At this time of year, as we pin the poppy to our jackets and coats and remember the great sacrifice that has been made over many years, it is a time for each of us to pause and reflect. The armed forces covenant is not just about what the Government can do; it is also about what the nation can do. That is not just about the financial support that is provided through taxes or directly to charities; it is also about the moral support that the nation provides to our armed forces.

Richard Graham (Gloucester) (Con): The Minister might have heard earlier the suggestion from the Leader of the House, in response to my question, that we should recognise the contribution of all communities to the international security assistance force in Afghanistan, including the British Muslims about whom we heard last night from the Muslim Army chaplain.

May I also seek the Minister's moral support for the application that I am helping my landlady to make at the moment? She is now 98, and would be very grateful to receive the medals for her late husband, Major Hamish Wilson, who died in 1943. She will be making that application shortly, and I think that it is very appropriate at this time of year.

Nick Harvey *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. Minister, you have been very generous in giving way, but you might not be aware that there is a time limit on Back-Bench speeches because so many Members wish to participate in the debate. Perhaps I can draw that to everyone's attention.

Nick Harvey: Madam Deputy Speaker, I was indeed coming to the end of my speech. I entirely acknowledge the point that my hon. Friend the Member for Gloucester (Richard Graham) has just made about the contribution of the Muslim members of our armed forces. I was pleased to attend a Downing street reception to acknowledge that contribution a little while ago. In regard to the individual case that he mentioned, I will certainly look into the matter if he would care to write to me about it.

This House is an important part of the moral support that we offer to the armed forces. On Remembrance Sunday, politics is put to one side as wreaths are laid at the Cenotaph. Serving personnel are joined by ranks of veterans from the United Kingdom and from every corner of the globe to march down Whitehall. We are no longer graced by the presence of the brave souls who fought in the trenches during the great war, but we will remember them.

1.28 pm

Mr Kevan Jones (North Durham) (Lab): I should like to begin by joining the Minister in his thoughts on the loss of the soldier in Afghanistan this week, and on Flight Lieutenant Sean Cunningham. They served their country in different ways, and with great distinction, and their sacrifice should be remembered not only today but over the coming years.

It is fitting that we meet today to debate armed forces personnel in the lead-up to this weekend's remembrance of those who have lost their lives in the service of their country. We must remember those who have made the ultimate sacrifice, as well as their families. We must also remember those who have suffered serious injuries as a result of their service, whether on active service or in

[Mr Kevan Jones]

training. We should also pay tribute to those who are serving their country—not just those on active service abroad but all those who, through their dedication and hard work, protect the freedoms that have been hard fought for over many generations. Their actions at home and abroad make the streets of Britain safer, and we all owe each of them an immense debt of gratitude.

Today's announcement on the reorganisation of the Army footprint in the UK will have a major impact on the lives of many thousands of armed services personnel and their families. The announcement in this morning's *The Guardian* and the subsequent press release from the Ministry of Defence about rebasing from Germany will equally have an effect on servicemen and women and their families. The fact that the Secretary of State chose to inform *The Guardian* yesterday and to put out a press release this morning rather than make a written ministerial statement to the House is not acceptable. The announcement on Germany was not included even in this morning's written ministerial statement on the realignment of the Army footprint in the UK, which seems completely illogical to me.

The written ministerial statement on Army restructuring and the press release on Germany raise more questions than they answer. The press release states that the savings to the Ministry of Defence will be some £250 million a year, but no reference is made either to the investment needed to achieve that or to the year in which the £250 million will first be realised. Many will conclude that the cuts to Army numbers—both those announced in the strategic defence and security review and those announced in July by the former Secretary of State, the right hon. Member for North Somerset (Dr Fox)—are paying to make these moves possible. I ask the Minister to confirm in his winding-up speech that these Army redundancies are subsidising this restructuring.

Nick Harvey: I think the hon. Gentleman conflates two things. A written ministerial statement has been issued today, which covers some big-picture decisions taken at a national level in the Ministry of Defence concerning the divisional and regional headquarters of the Army throughout the United Kingdom. The decisions have an impact on people throughout the UK and have been communicated to all relevant parties.

The hon. Gentleman also talks about tactical decisions to move certain units, which are made all the time and are never normally the subject of ministerial announcements. He portrays them as though they were all to do with moves back from Germany, whereas the reality is that three quarters of them are nothing of the kind. Two units are being moved back from Germany—one involves a total of 450 people, the other involves 120—but such things happen all the time and are not suitable for announcement in a ministerial statement.

Mr Jones: I am absolutely astonished. The Minister had 40 minutes in which to make an announcement, but did not choose to do so. I have to say that he is completely wrong. His written ministerial statement this morning rightly dealt with changes to Army headquarters in the UK—something that I was already on to when I was the Minister. He put out a press release—I have it here with me—that mentions the savings that could be made from the draw-down from Germany. Clearly, *The Guardian* was briefed last night on the major changes proposed regarding the withdrawal from that country. I am sorry, but I do not accept the Minister's statement that these are minor movements around. These are major reorganisations that will affect many thousands of armed service personnel, civil servants and their families. The Minister said that some £250 million a year would be saved at the end, but the press release does not say exactly when that will be achieved.

As the Minister who used to be responsible for the defence estates, I know the figure I was given in relation to the rebasing from Germany. It was roughly £3 billion.

Helen Goodman (Bishop Auckland) (Lab): On a point of order, Madam Deputy Speaker. I have been listening to the evidence given by James Murdoch to the Select Committee. He has admitted that members of the Committee were followed at the point when the Committee was undertaking an inquiry into the phone hacking activities of News International. This is obviously an extremely complex matter, but I wonder whether a breach of privilege might be involved.

Madam Deputy Speaker (Dawn Primarolo): Anything going on in respect of evidence given to a Select Committee is a matter for that Committee to deal with. If the hon. Lady believes that a breach of privilege has been committed in any way, as an individual Member of this House she should write to Mr Speaker about it. It is not a matter that would be dealt with on the Floor of the House.

Mr Jones: I know that the consultants brought in by the MOD estimate that the figure would be more than £3 billion. I do not know whether pennies have suddenly dropped from heaven for this investment or whether since the departure of the former Secretary of State the Treasury has given the MOD an early Christmas present. It will be interesting to find out where this extra investment is coming from. We need a clear statement on that, particularly in respect of the converting of Cottesmore and Kinloss from RAF bases into Army bases.

In addition, the total footprint in Germany is 47,000 individuals if civil servants and dependants are included. What will be the cost on other Government Departments and local authorities of relocating these individuals to their new local communities? For the Minister and the MOD to have any credibility about these plans, we need the answers published and we need a detailed time scale for when people will return from Germany and how the moves will be funded. We need to know how the money will be spent and where exactly it is coming from. If we do not have that, there will be some incredulity about how the plans will be affordable and how they will affect the lives of many thousands of armed service personnel.

Nick Harvey: Let me clarify the moves for which the Army has preliminarily planned: 7 Regiment the Royal Logistic Corps will move from Bielefeld in Germany to Cottesmore, with some 450 service personnel moving by the summer 2013. This will allow a saving of £55 million a year from 2014-15. In the other move, 43 Close Support Squadron Royal Logistic Corps will move from Guterslohe to Abingdon in 2012. There are small capital costs involved, which the director general of the Defence

Intelligence Organisation is perfectly content can be found from within his existing budget.

Mr Jones: I am sorry, but I just do not accept that. It is all very well to say these are small matters. Why will he not publish the overall plan? He has set an ambitious target of bringing the Army back from Germany. Why will he not set out clearly what the investment will be and what the costs of withdrawing will be in compensation and reparation payments to the German Government? It is not good enough to say that these are preliminary announcements. Why stick out a press release this morning, stating that £250 million a year is going to be saved and that this will somehow boost the British economy by £650 million, when the Minister has just admitted that these are preliminary plans? It is not good enough for our armed forces to be treated in this way. *[Interruption.]* The new Parliamentary Private Secretary, the hon. Member for Devizes (Claire Perry), chirps from a sedentary position to question whether this is the right tone. These are issues that will affect many thousands of individuals and their families, so we need to ensure that we have the answers. Without that, credibility will not stand much scrutiny.

As we debate the future of our armed forces personnel, it is important, as the Minister said, to focus on the military covenant and how it can be strengthened. I also think it important to take account of what we have achieved over the past 10 years. The Minister rightly referred to the service personnel Command Paper, which was published by the previous Government and which was the first piece of work to make the welfare of our personnel a mainstream commitment in Government Departments.

Like the Minister, I pay tribute to my right hon. Friend the Member for Coventry North East (Mr Ainsworth) for his championing of the policy, not just through the MOD but across Whitehall. I believe that it genuinely changed the way in which the armed services and their families, and veterans, are perceived in other Departments. It brought about, for instance, the armed forces compensation scheme, the doubling of welfare payments to those on operations, the advancement of education services for service leavers who have served for six years, increased access to the NHS—I am grateful to the hon. Member for South West Wiltshire (Dr Murrison) for continuing that work with the NHS—and improvements in accommodation, including accommodation in Colchester, as I saw when I visited the town with the hon. Member for Colchester (Bob Russell). Most important, it brought about increases in pay.

The Army recovery capability was another key achievement, and I am pleased that the Government are following it up. It will not just change the way in which we look after injured service men and women while they are in service, but enable us to ensure that they receive care and support throughout their lives. I want to record my thanks to the service charities, with many of whom I worked closely while I was a Defence Minister. They not only look after our veterans, but increasingly support men and women who are currently serving in our armed forces. We need to uphold the principles of the covenant, but we also need to ensure the upholding of the basic principle of the Command Paper that no disadvantage should arise from service.

I know that welfare support for the men and women of our armed forces and their families is a priority for Members in all parts of the House, and it is important that, on occasion, we speak with one voice in support of our veterans and service men and women. However, Labour Members will also scrutinise the Government's policies carefully, and will make it clear when we think that they have got it wrong, and I think that the way in which they have addressed a number of personnel issues needs to be examined more carefully.

I welcome the Government's progress in regard to, in particular, the enshrinement of the military covenant in law. Unfortunately, however, that was not done by choice, but was forced on Ministers by the Royal British Legion. *[Interruption.]* The hon. Member for Colchester is chuntering, but he voted against the enshrinement of the covenant in law when the Armed Forces Bill—which became the Armed Forces Act 2006—was in Committee. He should remember what he did then, when it was open to him not to support the Government.

Bob Russell: I am sorry that, having embraced the unity of the House on the subject of Her Majesty's armed forces, the shadow Minister should nitpick on the armed forces covenant—he should use the correct description—when he knows full well that members of the Committee considering the Armed Forces Bill were united. The Committee argued only around the edges, and that is what we are talking about here. The hon. Gentleman should not be churlish.

Mr Jones: It is not churlish to remind the hon. Gentleman what he did at that time. When we tabled an amendment to enshrine the covenant in law, he voted against it. I know that he is a Liberal Democrat, and thus can pick and choose and place a certain interpretation on what he does, but he must be reminded of the fact that he voted against that amendment. It was only after the Royal British Legion's campaign that the Government were forced to change their policy and the covenant became law.

Mr Ellwood: While preparing for the debate, I wondered whether the Opposition would raise the issue of the covenant. They had 13 years in which to introduce such legislation themselves. The hon. Gentleman mentioned the personnel paper and I concede that it was a good step forward, but it was not legislation. The fact that, after 13 years of Labour government, the covenant is now enshrined in legislation is thanks to our Government, not his.

Mr Jones: No, actually, it is not. In July 2009, I produced a Green Paper on the covenant. I do not think the hon. Gentleman read it and I do not think many of the new Ministers did either, because they clearly fell for the civil service tricks that were tried on me. They were obviously told how hard it would be to implement such a measure, although they finally realised that it could be implemented.

Although not widely read in the House, my Green Paper was widely welcomed by the services community. It received a good deal of coverage and would have formed part of our programme had we been re-elected. It is not true that it was not on anyone's radar screen when we were in government. I suggest that everyone should read the very well thought out Green Paper that I produced. Even the Under-Secretary of State for

[Mr Kevan Jones]

Defence, the right hon. Member for South Leicestershire (Mr Robathan), the current veterans Minister, has admitted that it covered the main points.

One of the Government's policies we are concerned about relates to armed forces and war widows' pensions. The year-on-year change to uprate pensions using the consumer prices index rather than the retail prices index will disproportionately affect members of the armed forces community, who rely on their pensions at a younger age than almost anyone else. The impact will be felt not just by the present generation, including those who are fighting today in Afghanistan, but by those who landed on the beaches of Normandy.

The Forces Pension Society estimates that, as a result of the Government's changes, a disabled double amputee of corporal rank aged 28 will lose some £587,000 by the age of 70, and that a war widow with children will receive a basic per annum pension that will be £94 less next year. The society has said:

> "The extent of devaluation of Armed Forces pensions has become a matter of deep concern to Service people, past and present."

The society's chairman, Vice-Admiral Sir Michael Moore, has said:

> "I have never seen a Government erode the morale of the Armed Forces so quickly'".

Julie McCarthy of the Army Families Federation—I had the privilege of working closely with her when I was a Minister, and I pay tribute to her and to the representatives of the RAF and Naval Families Federations—has said:

> "The demands of the service have not gone down... but"

personnel

> "are seeing their pay frozen, the threat of redundancy and now allowance cuts."

[Interruption.] In the light of that, I wonder whether the Minister will tell us why—*[Interruption.]*

Madam Deputy Speaker (Dawn Primarolo): Order. We really do not need a continuous commentary from Members who do not wish to intervene. A Member who wishes to intervene must stand up and make his or her point if the Member who has the Floor gives way. Otherwise, Members must not shout across the Chamber.

Mr Jones: As I was saying, I wonder whether the Minister will tell us why that change has been made permanent. It will extend even beyond the target date for the end of the deficit reduction period.

Another matter of concern to many Members involves the office of the chief coroner. As the military covenant states, no member of the service community, including dependants, should suffer disadvantage arising from service, and special provision should at times be made to reflect their sacrifices. That is why the post of chief coroner is so important. It can provide an independent, expert service for bereaved families, and scrapping it undermines the Government's commitment to the covenant.

Nick Smith (Blaenau Gwent) (Lab): I have received letters from constituents who are worried about the effects of the abolition of the office of the chief coroner. Does my hon. Friend agree that the decision should be reversed as soon as possible?

Mr Jones: I do indeed. It worries me that, not only the Royal British Legion and other service charities, but a range of organisations that deal with the bereaved cannot see the logic of the decision. It disturbs me that the cross-party support I saw when I served on the Armed Forces Bill Committee in the last Parliament seems to have been withdrawn.

Dr Murrison: On the subject of no disadvantage, does the hon. Gentleman agree that it is highly regrettable that the Administration in which he served allowed the MOD to pay for expensive barristers to argue the Department's corner in coroners' courts, which are supposed to be non-adversarial situations? That has been represented as a genuine concern in the context of no disadvantage, whereas the office of chief coroner has not.

Mr Jones: I disagree. We put in place, with the Royal British Legion, support for bereaved families at military coroners proceedings. That was important, and I know that my right hon. Friend the Member for Coventry North East was very keen to do it. I simply do not accept that not having a chief coroner will help bereaved families to get the answers they want, and I cannot see why this Government have suddenly changed their position from the one they held when in opposition.

The RBL has said the change in policy is

> "a betrayal of bereaved armed forces families"

and that it

> "threatens the military covenant."

The Government's stated reason for the change in policy is deficit reduction, but the costs of the office are widely disputed and both the RBL and INQUEST are prepared to work with the Government to find a more cost-effective option. It is regrettable that Justice Ministers—not MOD Ministers, I accept—have not listened to the RBL's well-founded concerns.

It is difficult to understand the Government's deficit reduction measures, especially when we learn that a firm of consultants, AlixPartners, has been employed by the MOD on a £4,000 a day contract, meaning that it earns more in a week than a front-line soldier in Afghanistan earns in a year. I urge the Minister to ask his colleagues in the Ministry of Justice to listen to the RBL's arguments about the chief coroner.

Substantial numbers of armed forces personnel have been made redundant in recent months. That is, of course, only the start of the service personnel cuts that are to be made over the next four years. When the strategic defence review was published in October 2010, we were told that 17,000 personnel across the three services would have to go. As of July 2011, however, as the Government prepared to issue their latest round of redundancies, we were told that the number had risen to 22,000. When outlining the further reductions, the former Secretary of State, the right hon. Member for North Somerset, failed to offer the armed forces any clarity on what the precise size of the armed forces would be by 2015. We are still waiting for confirmation of exactly how many redundancies there will be on top of those sketched out in the strategic defence and security review, and of whether the new Secretary of State agrees with the statement made by his predecessor. The new Defence Secretary has said that he "regrets" cuts to our armed forces, but it is not yet clear whether he has the courage of his convictions and intends to act on those regrets.

The redundancies issue is not just about numbers, though; it is also about the individuals and the skills that are being lost to all three services. When I hear that some of the individuals I once worked with when I was a Minister are now leaving the services, it makes me concerned about whether our armed forces and this country can afford to lose those capable and well-trained individuals. Greater clarity is the very least our armed forces deserve. If there are to be cuts, we should know where they will fall. Service personnel must be allowed the opportunity to plan for their futures and the futures of their families.

One of the most worrying aspects of the latest round of redundancies last month was that 800 members of the Royal Navy actually volunteered to leave. They were not asked to leave by the MOD, but instead felt that they would be better off outside the service. They made that decision at about the same time as we learned that morale in all three services is in decline. It is essential that today we ask why that is the case. We must ask why 800 members of the Royal Navy believed they had better opportunities elsewhere. It is vital that our forces are able to attract the best talent and retain it, and I am worried that we may be left with skills shortages as a result of the short-term budget changes currently being put in place.

The Conservatives did exactly the same thing when they were last in office in the 1990s, and in the following decade we had to deal with the problems that caused—*[Interruption.]* The hon. Member for Devizes chunters from a sedentary position very often, but does she realise that as a Parliamentary Private Secretary she should be the eyes and ears of the Secretary of State, not his mouthpiece? A bit of quiet from the hon. Lady would be a better idea. She might want to take some lessons from the hon. Member for Bournemouth East (Mr Ellwood), who sat in the Chamber quietly while serving very effectively as PPS. May I put on the record my appreciation of the good job he did in that role? I was very sad to see him replaced, especially given what we have experienced today. *[Interruption.]* The hon. Lady is obviously not listening: it does not help Ministers if she sits behind them whingeing and making snide comments. She should seek advice from the hon. Member for Bournemouth East, who might be able to give her some tips on how to do the job properly.

When he winds up the debate, will the Minister of State say what the MOD is doing to ward against the decline in morale in all three services?

Bob Russell: In the context of morale, the shadow Minister has not yet mentioned the condition of armed forces housing. Although I acknowledge the situation the last Labour Government inherited, they had 13 years to sort it out and those were years of relative economic prosperity, so can the hon. Gentleman explain why his Government did not modernise all the Army family housing in my constituency and across the country?

Mr Jones: That question is a bit rich—although the hon. Gentleman is a Liberal, and we know we have to accept such things from them. I visited Colchester garrison with him, where we saw the investment that had been made not only in recreation and training facilities, but in housing. He knows as well as I do the problem we all grappled with and that the current Government are still grappling with. I understand, of course, that the hon. Gentleman is hinting at the Annington Homes issue, but to get to the bottom of that, we have to go all the way back to a decision made under the previous Conservative Government. The Chair of the Defence Committee, the right hon. Member for North East Hampshire (Mr Arbuthnot), is present, and his fingerprints are on that decision, which was not a good decision for the taxpayer and limited what we could do to improve armed forces housing. None the less, we made great strides in both married quarters and single-living accommodation in the Navy, the RAF and the Army, and it is now some of the best accommodation of its kind to be found.

Although the Minister hinted at possible future provisions, there is a question whether we should provide housing at all, or whether we should instead move to an allowance system, so that individuals have options in housing, rather than being wedded to a contract, which was also very bad news for the taxpayer.

Mr Brazier: Will the hon. Gentleman expand on how that proposal would work in places such as Catterick? It is the largest forces base and there is a huge concentration of soldiers out in the countryside with almost no civilian housing anywhere nearby.

Mr Jones: What has happened at Catterick and in other places is very interesting. People are speaking with their feet, as it were, by commuting large distances. At Catterick, many people stay in single-living accommodation during the week or commute to Tyneside or even further afield. We have to recognise that the way people organise their lives is changing. The hon. Gentleman talks about examining how we provide housing and allowances, and we need to do that. The piece of work that I kicked off—I do not know whether it is still going on—looks at the options, including paying allowances or working with, for example, housing associations to provide accommodation where people want it. In all three services, many people are choosing to buy or rent accommodation far from their workplace and travel at the weekend. That creates new challenges for the armed forces in providing single-living accommodation, and these are things that we need to examine.

We ask our armed forces to risk all on our behalf. In return, we must make sure that we give them the proper equipment, training and financial support that they deserve. The sacrifices that service personnel make for the country are such that they should not be treated as other public sector workers. They deserve special recognition. In that spirit of recognising the unique nature of military service, I look forward to hearing the contributions to today's debate. The debate about our armed forces mainly concentrates on equipment, and that is important, but this is an opportunity to recognise the work that our armed forces do. We should not forget that without the input of the men and women of our armed forces, some of the fantastic, dangerous and, in some cases, unique things we ask them to do would not be possible.

2.1 pm

Mr James Arbuthnot (North East Hampshire) (Con): I have listened with interest, amusement and, often, respect to the words of the shadow Minister. I hope that he will have a stiff word with the hon. Member for Bishop Auckland (Helen Goodman), who interrupted him, in the middle of a perfectly good argument, to talk about something that has absolutely nothing to do with this debate. He was a troublesome member of the Select Committee on Defence, but an extremely effective one, just as he was an effective Minister. So, too, is my hon. Friend the Minister for the Armed Forces, whose words I also listened to with interest and respect.

I wish to thank the Government for holding this debate on armed forces personnel and for its timing. I have been looking through my records and it seems that this is the first debate on personnel since January 2009. Can that really be the case? I say that because it is our armed forces personnel and the training that they receive which make our armed forces the envy of the world. I have to say that the arrangements for having these debates on armed forces matters or on defence equipment are simply not working. I am relieved and pleased that the Leader of the House is having discussions on how to change things. One matter that I would point out to the Backbench Business Committee—I cannot immediately see any of its members in the Chamber—is that the pressure of time in this debate is such that there is a 10-minute limit on Back-Bench speeches, on a day when there is no vote at the end. There is no shortage of interest in this matter and I hope that the Committee's members will take that point away with them if ever we go back to ask for further time.

It is not surprising that there is no shortage of interest in this issue, given what the armed forces are going through. There is turmoil in the Ministry of Defence and the armed forces because of the degree of change that is having to be forced through. There are redundancies, restrictions on money for exercising and training, and changes to the allowances, not to mention the fighting that they are doing at the same time. The Defence Committee has been doing work on all those things, as the House would expect.

Sometimes people believe that it is the job and the role of the Defence Committee to speak for the armed forces, but strictly speaking that is not true. We are not a lobbying organisation for the armed forces or for the defence industry. Our role is to ensure that the MOD does its work as well as it can in the circumstances. Our lobbying role is to lobby for the country; we are not lobbyists for the armed forces. Lobbying for the country, we realise, as people and as a Committee interested in defence, that the country wants certain things. It wants its armed forces to be treated fairly and properly. It also wants its armed forces treated with respect and honour, and the Royal Wootton Bassett phenomenon is a demonstration of that.

There has been a discussion in the newspapers over the past few days about the issue of wearing a poppy and about the question of whether people feel compelled to wear one. There was even an article in *The Independent* by Robert Fisk entitled, "Do those who flaunt the poppy on their lapels know that they mock the war dead?" I read that article not with anger, but actually with a degree of sympathy. However, I concluded that it had got entirely the wrong end of the stick. He talked about his father, who had fought in the first world war, stopping wearing his poppy because he did not want to see so many damn fools wearing it. His father felt that those who wore the poppy had no idea what the trenches of France were like, and what it felt like to have your friends die beside you and then to confront their brothers, wives, lovers or parents. Of course, to a large extent that is true; those of us who have not been in the armed forces cannot imagine quite the horror that is involved. We may think we can but we cannot. Few of us in this House—there are honourable exceptions, and I am pleased to see my hon. Friend the Member for Beckenham (Bob Stewart) in his place—have had that experience.

As Wilfred Owen pointed out,

> "Dulce et decorum est pro patria mori"—

it is a sweet and fitting thing to die for one's country—is actually a lie. Horace, who wrote those words, did not follow his own advice. Interestingly, he did fight at the battle of Philippi, but he later claimed that he survived that battle only by running away, having thrown his shield away. I do not blame him for that. But we who have not fought do not wear the poppy because we claim to understand what war is truly like—as I say, we cannot do that. We wear a poppy for other reasons.

Robert Fisk's article says that he declined to lay a wreath at the Menin gate because it was something of which he was not worthy. I think that that is a shame because, in those terms, which of us is worthy? I do lay a wreath on Remembrance Sunday, and I do not do so because I am worthy—I am not. I do so for many of the constituents I represent: the incredibly brave Chinook pilots who rescue our wounded under fire; the former Gurkhas who have done so much for our country; the families who bear so much of the brunt of death and injury; and the pensioners who survived the second world war and who fought in the Korean war. Those are the people who are worthy and I do it for them.

I also wear a poppy. That is partly because of my grandfather, who, like Robert Fisk's father, fought in the first world war but who died at the second battle of Ypres. But wearing a poppy is also a public acknowledgement of debt, a public reminder of continuing need in the armed forces community, a public display of respect and a public expression of thanks. It is really not a public announcement, "Look I've given the Royal British Legion a bit of money." Although it is true that sometimes politicians and others may feel obliged to wear a poppy because if they fail to do so they will be subject to public disapproval, one really should not get hung up on that sort of thing. The vast majority of people wear a poppy out of pleasure, and they wear it because they want to, rather than because they must—at least, that is my reading of the situation.

Mr Brazier: Like my right hon. Friend, I have never fought, but is there not one further argument, in addition to the powerful ones that he puts forward for wearing a poppy? The men and women who went off to fight in the two world wars were a huge cross-section of ordinary people, many of whom had no military experience at the time, yet on the eve of the battle of the Somme, not one single man was reported absent without leave.

Mr Arbuthnot: My hon. Friend has got military experience, even if he has not fought. He highlights a point that my hon. Friend the Minister made about the current shortage of experience—within a cross-section of the country, as my hon. Friend the Member for Canterbury (Mr Brazier) said—in what the armed forces do. I think that is, as my hon. Friend says, a reason for wearing the poppy.

Our constituents also wear a poppy with pride, and it is not pride in themselves. It is pride in their country and pride in what our young men and women, who are prepared to sacrifice everything they have and all that they are, do. In the end there are times when it is right to go to war. If diplomacy fails and if people are determined to behave as Hitler and Gaddafi did, they must be stopped, and we should give respect, honour and thanks to those who are prepared to do it for us.

2.11 pm

Mr Dai Havard (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to follow the right hon. Member for North East Hampshire (Mr Arbuthnot), my colleague on the Defence Committee, and his comments about the poppy.

The debate today is about armed forces personnel, so I shall talk about them and not necessarily about Parliament. It is interesting to find out who the people who currently serve are. Over a number of years, through the armed forces parliamentary scheme, I have had the opportunity to engage with our forces in theatre and out of theatre. One finds that a fantastic variety of people make up our armed forces. They have a fantastic array of skills, some of which we bothered to give them and some of which they come along with in the first place.

I remember being in Kabul doing some canvassing for the presidential elections. I was masquerading as a soldier at the time and it was not for any particular candidate; it was about the process of presidential elections. I said, "Come on, boys. We had better go over here. We'll go to the caff and have a word." They said, "You're good at this, aren't you?" I said, "Well, one thing I ought to be reasonably good at is canvassing. You do the soldiering, I'll do the canvassing." We were walking up the street when all of a sudden the Fijian flanker I had been given to look after me started to chat to the locals. I said to him, "How come you speak the local language?" He said, "I'm Fijian. I went to school with people who speak Urdu, and I can get along with these people." I asked, "You're not an interpreter, then?" "No," he said. "I just get on and do it."

The Gurkhas seem to have some Babel fish in their ear. Wherever one goes with them, they are always in some way or another able to communicate with the local people. When I was in the Balkans, there were Chileans and people from the area with a Gurkha in the middle. For some reason or another, he was able to make those people understand one another in some fashion. In the Balkans, as the hon. Member for Beckenham (Bob Stewart) will know, the Welsh also serve. Our communications fell down. The only reason we could speak to one another was that there were two Welsh boys with mobile phones and they could speak Welsh to one another, just like the wind talkers did for the Americans in south-east Asia.

There is a fantastic array of skills among our armed forces, but we have to equip them as well. They come with these skills by default and we use them, but we must not abuse them. One of the things that is missing from the debate is how we enable them to do the things we want them to do. I was in Iraq and the place was jumping, as it usually was when we went to Iraq. I was talking to an American, who said to me, "See, the difference is that we train warriors. They go forward—blitzkrieg—they can fight anything in front of them, but you train soldiers. Once the fighting is done, they take their helmet off, put the beret on and start to engage with people. They are multi-skilled, so it's different. I don't know what you do, but you train different people."

That does not come about by accident. We must equip our armed forces and enable them. If, as the Minister said, we need to understand them, then we need to engage with them. I would recommend any Member to use the facilities of the armed forces parliamentary scheme to get under the wire and go and live in a tent or a ditch with those people for two or three days. Very often it will be, "And another thing—" so the Member will soon find out who they are.

Mr Kevan Jones: I slept in a tent with my hon. Friend in Iraq when I served on the Defence Committee. Does he recognise that whenever we went anywhere, we always seemed to meet someone who was from Merthyr Tydfil?

Mr Havard: The "Taffia" is at work. That is true. At the local field hospital at Camp Bastion when we visited, Andy Morris, who is now Major Morris, was there as a paramedic. These are the people who jump in the back of helicopters and bring people out. He is a reservist, not a regular. There is a real debate to be had about what the balance of forces is going to be. The report by the hon. Member for South West Wiltshire (Dr Murrison) is seminal. A decision will have to be made about the balance between regulars and reserves. We do not want to cheapen their capacity or their labour. We need to maintain and improve that quality. We must not make the mistake of using it as a way of cheapening the price, rather than improving the value.

The moral component is important. We heard reference earlier to war memorials. We all have the problem. I would like to find the bandit who nicked the bayonet off the Aberfan war memorial. We probably know who he is and where he lives, and we will get it back, but that is not the point. It is about respect. Tomorrow I will be in Rhymney comprehensive school, laying a wreath at the school at its memorial with the children. I will be visiting the cadets and the reserves at Maindy. We must engage with the people.

I do not have a big poppy. Perhaps the size of the poppy is important; I do not know. I have a 90th anniversary badge, given to me by the British Legion in Dowlais. There is a whole community involved. The social and economic impact that the Ministry of Defence has in all our communities is huge. We need to recognise that in deploying the resources that we have, because we also ask people to deploy.

Let me say a little about some of the things that we are discussing on the Defence Committee and the changes that are being made. Reference has been made to how it is possible to divide communities, as well as bringing them together. We can say that armed forces personnel have special interests, and therefore should have special services. By doing the right thing, we can inadvertently do something else and create divisions. Be careful that

[Mr Havard]

there is not a problem with consistency, rather than uniformity, in the application of these services across the United Kingdom. The right hon. Member for Belfast North (Mr Dodds) mentioned that earlier, and the same applies to Wales. The National Assembly for Wales yesterday published a document about what it will do to improve services for veterans.

The organisation of the health service will be different, because it is very problematic, as is housing and the rest of it. There is a variable geography and the operational delivery of services varies between Scotland, Northern Ireland, Wales and England, but the Ministry of Defence must understand that the covenant is a UK document that will apply to service personnel wherever they are in the UK. If it does not have some consistency of application, it will get it wrong. That is a real problem it needs to grapple with, and I hope that we can help.

The Defence Committee—perhaps I am giving away secrets—plans to produce a report on housing in the same way as we produced reports on veterans and casualties. As my friend the right hon. Member for North East Hampshire said, the Committee's work is to bring those matters to Parliament, because it is a servant of the House and our work should be debated here. Frankly, it is a disgrace that the House has not had a proper debate on the matter in more than 12 months. However well meaning Front Benchers have been in today's debate, they have their political knockabout and absorb the time and the way the debate is conducted is not in the hands of Back Benchers. I know that the Backbench Business Committee has become some sort of petitions committee by default, but I appeal to it to provide time for the House to debate the work the Committee has been doing and allow Back Benchers to say what they want to say beyond the direct control of the Executive, rather than by any other process.

I would like to say one more thing about understanding people. We deploy the armed forces, so we need to protect them. One of the current debates about respect relates to people's respect for how they are deployed and what we send them to do. The armed forces are sometimes uncertain about their legal and moral status, and if we are not careful, that will cause difficulties for the operational capacity to do things on the ground. It is known in the trade to those of us who discuss these things as the "lawfare-warfare" debate; is it legal, but is it also morally defensible? If we want respect and legitimisation, we must not only enable and provide for those people, but give them and the community on whose behalf they work some certainty that they are being properly deployed to do things that they feel comfortable being deployed to do.

Bob Stewart (Beckenham) (Con): The morality of war is very well set out in the Geneva convention. As long as our officers and soldiers put the convention at the front of all their actions, they will not go far wrong.

Mr Havard: I agree that the Geneva convention sets out an important architecture, but let me give an example to illustrate my point. We were once running an internment camp—not a detention facility—in Iraq because that is what was required. That was legitimate and part of the UN mandate. It was legitimised, but it had to be reviewed from time to time and the authority to run it had to be agreed with the new Iraqi Government following an exchange of letters and all the things that go with UN activities. Otherwise, our military personnel, from Colchester and elsewhere, who were running the camp, which was not anything like Guantanamo Bay, needed to know that they were secure in what they were doing. They now serve alongside others, more often than not in coalition.

The Americans are not signatories to the International Criminal Court, but the United Kingdom is. Often there are people on the ground in a foreign place with some sort of architecture of legitimacy between the Government who have asked them to go, or the United Nations, and individually they may well find that domestic and international law are different from one another. That issue needs to be considered. At the moment we put in place mechanisms that we believe protect our individuals who are on the ground, but they are citizens serving abroad. There is a relationship between international and domestic law that we need to be very careful about, and the subject will need debate, because I see operational service personnel second-guessing their decisions. Rather than doing what they would normally do, they send it back up just to make sure. The window of opportunity is gone.

I could give a practical example of that relating to the current problem of piracy in the Gulf, but I am not allowed to. The person concerned did not do wrong; they did right in order to protect themselves. What we must have in place is a decision-making process that enables us to take all those things into account with the speed that they need to be taken into account so that the decision-making process does not disadvantage the individual when they do the job that they are required to do, not later after some gang of lawyers have assessed whether it is right or wrong. We must celebrate all those who have served, all those who do serve, and all those who will serve, but we must be careful how we make organisational changes to do the things we wish to do.

2.24 pm

Mr Julian Brazier (Canterbury) (Con): It is a great pleasure to follow my friend and Select Committee colleague, the hon. Member for Merthyr Tydfil and Rhymney (Mr Havard), and indeed our excellent Committee Chairman, my right hon. Friend the Member for North East Hampshire (Mr Arbuthnot).

As we remember those who gave their lives in earlier generations, we honour those who serve today. To visit them, whether on operations or on exercise, is to be humbled by the sheer quality of the men and women who serve in our forces, but over the generations since the cold war the structures that planned and organised them lost direction.

On the day after another young Territorial has died in Afghanistan, I want to talk about reserve personnel, but first I shall give the House some context—when tension between operational pressures and funding is especially tight. The Ministry of Defence has become distorted by the shape of most conflicts during the 20 years between the Gulf war and the Libyan operation. For most of that period, the main effort has been a single, medium-scale expeditionary force, led by the Army with air support. Bosnia, Kosovo, Iraq and Afghanistan mostly followed that pattern.

The intensity of the conflicts varied enormously, but each saw a brigade-sized expeditionary force supporting air elements in six-monthly rotations and in line with defence-planning assumptions, hence a strong temptation for the planners to configure our forces around that model. Resurgent problems in Northern Ireland and the 7/7 bombings figured very little in pre-strategic defence and security review planning, and two important overseas outliers were widely overlooked.

First, there was the planned invasion of Kosovo in 1999, when 1 million desperate refugees fled the Serb army. Almost all our allies demurred from sending ground forces and the MOD initiated a confused blizzard of call-out notices, summoning many reservists at a few days' notice, even from units that it was in the process of disbanding. Britain was spared humiliation, of course, when the Serbs backed down under Russian pressure at the very last moment.

Secondly, in 2003-04 we were stretched well beyond expectations, as the continuing operation in Iraq overlapped with the incursion in Afghanistan.

The national security strategy rightly dismisses the assumption that our forces should be optimised almost entirely for medium-scale, Army-led expeditionary operations. It includes other roles, including, crucially, homeland security and upstream intervention, and there is even a faint hint of the scenario that dare not speak its name—general mobilisation for an unexpected crisis. Libya was Royal Air Force and Royal Navy-led—and led brilliantly, a point that I note in the week when we mourn the loss of Flight Lieutenant Cunningham of the Red Arrows.

How can we address so many scenarios, therefore, when the money available is so tight? The key surely is to reverse the slide towards an impossibly expensive manning model in which most units are full time, with costly payrolls, pensions, housing and so on. Of course they are worth it, but we cannot afford enough of them. Between two fifths and half the armies of our English-speaking sister countries are made up of volunteer reserves. On paper, ours make up less than one fifth, and in reality estimates suggest that the true figure is nearer 10%.

The US deploys National Guard armoured infantry brigades and fast-jet fighter squadrons to Afghanistan; Canada had a reservist company with every infantry rotation; and Australia has deployed formed companies and handed over its main commitments in Timor and Bougainville to reserve-led forces.

Bob Stewart: When we talk about National Guard pilots, I worry, because I wonder how much training they have to do, and whether it is different from what a regular has to do to be up to speed and to fly in combat.

Mr Brazier: I am grateful to my hon. Friend. Three quarters of the US National Guard's fast-jet pilots are ex-regulars, so they are not wasting several million dollars in training when they leave, and the remaining quarter have to be very experienced pilots to be allowed to join.

As we stand in silence at war memorials up and down the country, let us remember that the vast majority of those who served and fell were not professionals, and that the volunteer reserves were the key link between our brave but small professional forces and the wider community. They also provided back-up that was immediately available and, crucially, a framework for expansion into a national effort.

In the great war, the Territorial Army provided almost half the combat units, winning 71 Victoria Crosses. The Royal Naval Reserve won 12. In the battle of Britain, the Auxiliary Air Force squadrons comfortably out-shot their regular RAF counterparts. Although those forces were trained in peacetime at a fraction of the cost of their regular counterparts, they were available when they were needed to fight—and fight they did.

When overstretch peaked in 2004, our small volunteer reserves provided a fifth of our forces in Iraq and one-eighth of the number in Afghanistan. Yet over the next two years, they were rewarded with a cack-handed reorganisation, recruitment ceilings and a demoralising freeze on collective training. Despite all that, they continued to achieve some remarkable successes. In 2007, when commenting on a company from the London Regiment, its commander Brigadier Lorimer—now General Lorimer—said:

> "Somme Company was an outstanding body of men: well trained, highly motivated and exceptionally well led."

More than 25,000 reservists have served in Iraq and Afghanistan and 28 have given their lives, including the young man yesterday. Yet, in 2009, all formed deployments to Afghanistan apart from field hospitals were stopped, and the use of reservists has degenerated into the backfilling of regular units, unlike what happens in the countries of our English-speaking counterparts.

Not surprisingly, the strength of the reserves rapidly dwindled, with the greatest deficiency among young officers. As the House knows, I was recently privileged to serve under General Sir Nicholas Houghton on his review of reserves. Two or three units I visited had no young officers left at all. While we were carrying out our study, the unhappiness among TA officers was compounded by the truly disgraceful announcement by the Military Secretary's branch in July that an unprecedented four-fifths of TA commands were to go to regular officers, despite there being 25 Territorials in the frame who had all the necessary qualifications.

Our study recommended that we should move towards a better balance between regulars and volunteer reservists in the Army, with 30,000 trained reservists by 2015, and that they should

> "no longer simply be used as individual specialists and augmentees, but as formed units and sub-units".

The Royal Naval Reserve has plans to expand several areas, including its highly cost-effective air branch, which took over the training pipeline for some months in the overstretch crisis of 2004. It also has imaginative plans for the Royal Marines Reserve. The commission was disappointed with progress on the RAF, which has a pool of flying volunteer reservists that is only about a quarter of the size of that of the Royal Navy. Although there were some more imaginative ideas in the background, the recommendations it actually put forward were all rather expensive and seemed to be very modest in their actual value. That is why we recommended an independently led follow-up study on the RAF.

There are three keys to rebuilding our reserves: first, we must get out and recruit officers from the thousands of young men and women passing through our university

[Mr Brazier]

officer training corps and restore the proposition. If we reintroduce demanding collective training for units and sub-units, it will restore the capability of the TA to deploy formed bodies and provide those leadership opportunities that are so vital for the commitment of young officers.

On a recent visit to 7 Rifles, I was told that four regular officers had just applied to join. I was astonished to hear, however, that some of them were stuck waiting to receive security clearance. Why on earth do we have security clearance for regular officers transferring to the TA?

That brings me to my second point. We need fit-for-purpose administrative systems, so that people can enlist, have their medicals and be fed into training without the endless delays that characterise the current dysfunctional system. My local unit, 3 PWRR, has had more than 100 recruits in a few months. Yet, the sheer incompetence of the MOD personnel administrative systems has already put off a large number of them.

Some regular officers are claiming that the TA cannot reach a trained strength of 30,000 by 2015. I urge my hon. Friend the Minister for the Armed Forces, who made an excellent speech earlier, not to listen to them. It is the dysfunctional system and the blockages in the regular-dominated training pipeline that is holding our reserve numbers back.

Hence, my third and final item on the shopping list is this. Let us reintroduce regionally based phase 1 training, so that Territorials are not scrabbling for a place at the back of the queue in the regular establishments. In July, the former Secretary of State announced a £1.5 billion investment in the reserves over a decade. I am certain that my right hon. Friend the new Secretary of State is still committed to that. May I advise that it must be spent on rebuilding viable and usable structures to meet the 2015 deadline, not siphoned off to meet shortfalls elsewhere while that crucial date is allowed to slip?

Rebalancing our armed forces will enable Britain to afford more capacity within tight budgets—to expand the pool of talent available for defence, to increase the footprint for national resilience and, above all, to reconnect our excellent but increasingly remote regular forces with the nation they serve so well.

2.35 pm

Mrs Madeleine Moon (Bridgend) (Lab): It is a great pleasure to follow the right hon. Member for North East Hampshire (Mr Arbuthnot), who chairs the Defence Committee with great integrity, honesty and ingenuity and sets the standard that the rest of us aspire to reach, and my hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr Havard), my fellow Welsh member of the Select Committee—the Committee has a great tradition of having a large number of Welsh members. The hon. Member for Canterbury (Mr Brazier) is also a member of the Committee, and he always seems to have a downer on the RAF.

Last year, I spent Remembrance day not in my constituency but in Warsaw, where I took part in a remembrance parade there as a member of the NATO Parliamentary Assembly, which was gathered in that city. As we stood there and looked across at the veterans from the Polish army and the Polish resistance, we really understood what Remembrance day was about. We never truly experienced, as those people did, the real horrors of war. When we are at war, defence is not the responsibility of our armed forces alone. Let us not forget others who gave their lives: our firefighters; the merchant navy, which lost more people than all three services; the munitions workers; the agricultural workers; the Bevin boys; the home guard; and the ARP workers. Defence is a whole community responsibility.

We are here today to talk about our armed forces personnel. It was with particular delight that this week I hosted an event here in the Commons for the RAF presentation team. In the very first words of introduction, we spoke about the team's need to talk to local communities about why they fund their armed forces and why that funding is essential for the defence of the country.

We then went on to host people who had taken part in NATO's Operation Ellamy and Operation Unified Protector. They talked about the commitment, creativity and, in these days of defence cuts, the increasing needs of our armed forces personnel, as well as the huge capacity that our people have. They talked with great passion about the partnerships within NATO. I know that Italy is going through a period where there is a certain amount of humour about its financial difficulties, but they spoke with great passion about the help and the support that they had received from our Italian NATO allies. For example, they described having arrived at a base in Italy where the accommodation they were given was ill equipped and had poor facilities—the equipment and services that we would have offered on many of our bases would have been similar. The Italians sent their people in and they worked 24/7 to bring it up to the standard that they knew that a NATO ally deserved. We should honour that commitment from a NATO ally to our forces, because it is about their recognition that that NATO partnership is important and that our service personnel, wherever they come from, respect each other.

Those service personnel also talked about the partnership that is essential to all armed forces personnel when they go into theatre, including the partnership with their families, who support them in going and send them messages of support. The support and safety of their families is integral to their ability to do their job well.

Mrs Helen Grant (Maidstone and The Weald) (Con): Isolation and worry are significant problems for many families when their loved ones are away. Does the hon. Lady agree that support networks such as Troopers Mums in my constituency, which do good work in keeping families calm and holding everything together while our military personnel are away, ought to be congratulated and encouraged?

Mrs Moon: I most certainly do congratulate such organisations. Service personnel have mentioned to me how important community support is for their families—for example, it is important to know that teachers are aware if children in their class have fathers who are away on operations. I am talking about Operation Ellamy, but I am sure that this is equally important for service personnel in Afghanistan and elsewhere in the world. However, when personnel leave at short notice, as was the case in Operation Ellamy, it is even more important because they do not have time to prepare their families. The support of the organisations that the hon. Lady talked about is absolutely integral.

Bob Stewart: Will the hon. Lady give way?

Mrs Moon: I most certainly will give way to the hon. and gallant Gentleman.

Bob Stewart: As my hon. Friend the Member for Canterbury (Mr Brazier) said, one problem is that when reservists and people who live away from their camp are deployed, their wives and families are left isolated. The Ministry of Defence is trying to find a way to ensure that people who are not on base are looked after properly, because they get extremely worried when they feel isolated. I am sure that the hon. Lady agrees with that.

Mrs Moon: I most certainly do agree. It is even more important that we recognise the need to give such service personnel help and support to reintegrate into their families. Often, their families have not had help and support from other service personnel, so when their family member comes back, their anxiety can add to the tension within the family and cause a lot of conflict.

It was interesting to hear about the important role played by employers, particularly the employers of reservists, in supporting people in going away and returning, so that they can settle back into their normal employment. When one has been working with the brakes off, 24/7, in the theatre of operations, it is difficult to come back to the slower pace of civilian life. That is an important lesson that employers need to build into their approach when they welcome service personnel back.

Industry is also important. Everybody has made a great deal of distancing themselves from industry today, but in Operation Ellamy, we needed the support of industry to ensure that the forces at the front of the fighting constantly had the supplies they needed, and so that Operation Unified Protector could provide the protection that was needed. That team spirit and can-do attitude is incredibly important.

The service personnel also talked about the range, reach and accuracy of our weapons—I see smiles on the faces of those who were at the meeting. We need to recognise that new is not always best. They talked with delight about how the VC10 is still such a valuable piece of kit.

I would like to mention briefly a wonderful piece on the front of *Defence News* entitled, "Stop Doing Things That Are Stupid"—a lesson that the Ministry of Defence should always bear in mind. Perhaps it should be on the front of every Minister's desk. The USA is giving front-line personnel reports to send back about kit and equipment so that they can say, "This works," or "If you did this it would work better," or, "This is useless. Get rid of it." We should stop asking people back at the Ministry of Defence to answer those questions. Why can we not follow the US example and get our front-line personnel to tell us what they want and what works best in theatre?

One of the sad things we heard was that NATO bases' interoperability has been lost. I will take that up in my role as a member of the NATO Parliamentary Assembly. We need our forces to be able to move around the NATO countries and know where they are and where they can find the things they need to make us more effective. A matter that we have repeatedly heard discussed is intelligence, surveillance and reconnaissance. In refuelling, we have relied on the Americans, but we cannot continue to expect them always to meet that requirement. It is critical that we consider how to develop and increase our own resources.

We owe the RAF, Navy and Army pilots a debt of great thanks for their professionalism. There were no deaths among our forces on Operation Ellamy, and they ensured that civilian deaths were kept to an absolute minimum. They showed a new way of operating in theatre. With few forces on the ground, they had to take greater responsibility for civilian life.

I wish briefly to discuss the military covenant. I have been extremely distressed to see the Royal British Legion being treated pretty shabbily for its involvement in the campaign and accused of delaying reform. The RBL is a vital voice for our armed forces, and especially for our veterans. I also struggle to understand why the chief coroner has come to be seen as surplus to requirements. I hope that the Ministry of Defence is considering that matter.

We have heard briefly about mental health. We know that American studies show that one third of American veterans needed psychological care, while one in five soldiers suffered combat-induced psychological problems post-Iraq. We also know that members of the reserve forces are more susceptible than others to mental health problems. We must commit to ensuring that every serving armed forces member and every veteran has access to the help and support they need, whether it is while they are serving, in theatre, when they come home, or many years later. We must not allow compassion fatigue to mean that as the years go by, we forget the service that people have given.

On accommodation, I welcome the Minister's statement that money will go back into the accommodation budget if it can be found, but Julie McCarthy, the chief executive of the Army Families Federation, has said:

> "The feedback we are getting is one of resigned disappointment. The upgrades that are being cancelled involved a total rebuild of houses—new roofs, windows, carpets, kitchens and bathrooms."

The programme was about not just repainting a few rooms, but making quarters habitable. Our armed forces deserve habitable accommodation. They deserve the best that we can give them, and I hope the Minister will find the additional money needed.

2.48 pm

Dr Andrew Murrison (South West Wiltshire) (Con): I start by declaring my interest as a service pensioner and a current member of the reserve forces.

It is a great pleasure to follow four current and past members of the Defence Committee. I wish to develop a point that the hon. Member for Merthyr Tydfil and Rhymney (Mr Havard) made in his extremely considered contribution, which is about the universality of the military covenant. I share his concern that we may forget that it is not a local covenant, or an English, Scottish, Northern Irish or Welsh one, but a UK covenant. In preparing my report "Fighting Fit", on veterans' mental health, and more recently a report on military amputees, I have been extremely aware of the need to ensure that the complexity of the devolved arrangement

[Dr Andrew Murrison].

is worked through. I have been buoyed up by the understanding of that necessity among officials and Ministers throughout the UK. There is a strong understanding that we must ensure that the covenant is applied throughout the UK and in equal part. From my experience of preparing that work, I am confident that it will.

Mr Havard: I recognise what the hon. Gentleman says and congratulate him on behalf of all hon. Members on his work on both those matters. I hope he is correct that a consistent approach will be maintained over time. My concern is that the process needs to endure not just for the next five years or the next comprehensive spending review period, but for a long time into the future.

Dr Murrison: I entirely agree.

Last week, with a number of hon. Members, I rattled a tin for the Royal British Legion in Westminster tube station. That is always an enjoyable occasion and it is particularly pleasurable to importune colleagues as they come through the barriers, and to fix one's gimlet eyes on precisely what goes into the tin—indeed, it restores one's faith in politicians. Perhaps I should not name names, but without exception, they were all extremely generous. Such occasions are well appreciated in the House and I recommend that all hon. Members participate in future.

Like many right hon. and hon. Members, I shall pay my tribute this weekend—in my case at the war memorials in Trowbridge and Warminster. In each of the 10 years that I have been the local MP, I have noticed an increase in the number of people who wish to pay their respects. I was asked this morning on my local radio, which my hon. Friend the Member for Salisbury (John Glen) knows well, why we should wear a poppy. One point made earlier was that there is an imperative pressure to wear one. The truth is that it is an individual choice—nobody should feel obliged to wear any badge or mark of commemoration. However, purely anecdotally, it seems that more and more people are choosing to wear a poppy, and they are sometimes people whom we would not necessarily expect to do so. They do so not out of a sense of militarism, nationalism or patriotism, but out of a sense that we need to mark the sacrifice and contribution of people who have fought in conflicts. We might or might not agree with those conflicts, but nevertheless, those who fought in them have shown the best of us in their soldierly conduct. That is why people choose to wear a poppy and to be so generous to the poppy appeal and the Royal British Legion.

I look forward to the armed forces covenant interim report later this year. I welcome very much the evolution of the external reference group into the covenant reference group, and particularly Ministers' insistence that it should be independent. The evolution of the Armed Forces Act 2011 was interesting—as has been said, the Royal British Legion certainly made a big contribution to it. I do not entirely share the perspective of the hon. Member for North Durham (Mr Jones), but nevertheless, the Royal British Legion's contribution was an important one. I look forward to seeing both the interim report and the covenant reference group's response—its independence is extremely important.

I welcome Professor Hew Strachan's work and the report of his independent taskforce, which was published in December last year. I hope we have an opportunity to discuss progress on the points in the interim report that have been accepted by the Government when it is debated later this year.

Mrs Grant: Does my hon. Friend agree that we need to give tangible meaning to the military covenant, and that the importance of doing small things in military accommodation, such as fixing kitchens and improving bathrooms, must not be underestimated?

Dr Murrison: Absolutely. The military covenant is not laid down didactically in the Armed Forces Act. It was debated at great length when the measure went through the House and the other place, and it is absolutely right that it should not be set in stone in those sorts of ways, although clearly we can talk about it. However, the armed forces, which are meant to be the subject of the covenant, will be pretty unimpressed if it is not followed with tangibles. We will always ask for more, particularly those of us who represent military or naval areas, and no doubt we will never be entirely satisfied. However, in difficult circumstances, the Government have continued the best of the work done by the previous Administration in trying to improve the lot of those who serve in our armed forces.

Mention has been made of the chief coroner. The Royal British Legion is an excellent organisation in almost all respects, but I take issue with it on this matter. I have counselled caution on its insistence that we retain a chief coroner. I have a particular interest: many of the military inquests that have been necessary over the past 10 years have taken place in Trowbridge in my constituency. I have visited those inquests, and I have spoken with David Masters, the then coroner. Coroners are independent judicial office holders, and have been so for hundreds of years. In this respect, part of the value of the coronial service has been that it has been prepared to be very outspoken, and there are Ministers who served in the previous Administration who bear the scars on their backs of the coroner's many interventions, particularly on kit. That is absolutely as it should be. The whole point about the coroner's contribution in the past 10 years is that he has spoken out, particularly on kit, and I have absolutely no doubt that that policy was changed for the better as a result of the comments of David Masters and Andrew Walker. I would be very cautious about altering a system that has delivered such good effect to the benefit of men and women at the front line.

This week we remember the fallen. Remembrance is an integral part of the covenant between the armed forces and the nation. In 2014, we will commemorate the centenary of the outbreak of the great war. In the UK, we have a tradition of commemorating and celebrating the end of conflict, not the beginning, which is a good thing. However, we need to make an exception in this case, because the great war was the seminal event of modern history. Not only did its outbreak herald four years of desperate, terrible carnage, but it set in place the conditions for the second world war. Both those conflicts have shaped and formed how we live today, and it is appropriate that we take the opportunity to reflect on and commemorate the early days of the great war.

There are a number of reasons for that. First, it is not right that the sacrifice of those millions of people between 1914 and 1918 should go unrecognised 100 years on. What sort of people would we be if we did not mark out this anniversary? It is a deeply human thing to wish to commemorate sacrifice on that scale. However, there are also lots of things to be learned from the great war, and there are messages for us today, particularly for children in our schools who, as has been mentioned already, we hope will grow up in a world without conflict of that nature, but who, nevertheless, need to know the full horrors of war, so far as they possibly can, so that we may try to avoid them as best we can.

The UK Government have been criticised for being slow off the mark. That is a little unfair. Next year we will, I hope, have our annus mirabilis, in that we will celebrate Her Majesty the Queen's diamond jubilee and the London Olympics. However, we should keep our eye on what is to follow. This week President Sarkozy will unveil the Musée de la Grande Guerre in Meaux, a purpose-built museum for the great war, and it has been suggested that the British Government should do something similar. However, I would ever so gently point out that the British Government did do something similar, in 1917, before the great war was even concluded. I have been extremely impressed by the preparations of the Imperial War museums—plural—to mark the beginning of the great war. If fully carried out, their programme will, in my view, eclipse the Musée de la Grande Guerre in France, and I look forward to seeing it.

As we approach 2014 and decide how we will mark and commemorate the occasion, it is important that we focus heavily on the local and the parochial, the human and the personal. All of us as constituency MPs will have examples of small-scale projects in our areas that celebrate the contribution of local people—I certainly do in my area. I hope very much that all those projects, supported by the lottery fund and others, will come together in a national memorial—co-ordinated, I suspect, by the Imperial War museums—so that we can show a proper mark of respect in 2014 and commemorate the occasion in a way of which we can all be proud.

3.1 pm

Dan Jarvis (Barnsley Central) (Lab): It is a privilege to take part in today's debate, especially at a time when the whole of Britain and the Commonwealth is preparing to mark a weekend of remembrance in the most dignified and unique way, and, here at home, in a very British way. The great British sailor, soldier and airman are the very best in the world. Throughout our nation's rich history, our armed forces have never let us down—generation after generation of excellence and endeavour, courage and commitment, dedication and delivery; never turning away, even in the darkest hour; always the first to stand between home and danger. It is right that Remembrance Sunday is a focal point for Britain and that the whole country pauses to remember.

Mrs Moon: Does my hon. Friend share with me a great sigh of relief that it has finally been agreed that those service personnel who were awarded the Pingat Jasa Malaysia medal will be able to wear it this year and at last honour their colleagues who fell in the service of this country in Malaysia?

Dan Jarvis: I am grateful to my hon. Friend for her intervention, and I share her thoughts about that medal. I know from previous experience that the very subject of medals can be controversial, but in this case I absolutely share the sentiments that she has expressed.

As I prepare, for the first time since leaving the Army earlier this year, to mark Remembrance day in my Barnsley constituency tomorrow, I am reminded of Sergeant Andy McFarlane from the Adjutant General's Corps, who wrote a poem while serving in Afghanistan in 2008. It begins:

> "The news is spread far and wide
> Another comrade has sadly died
> A sunset vigil upon the sand
> As a soldier leaves this foreign land".

"Bravery" is a word that is all too often used, but rarely earned. Those words speak of our bravest men and women, who have made the ultimate sacrifice for our country—not in pursuit of personal gain or individual glory; not without knowing the risks; not while surrounded by the comforts of home; but in a foreign land where danger and uncertainty are, in fact, the only certainty.

For me, this weekend—and this debate—is simple. It is about the families at home, with their loved ones serving overseas. It is about veterans who live on, carrying the scars, mental or physical. Most of all, it is about the fallen. For two minutes tomorrow Britain will stand united, shoulder to shoulder in remembrance. Tomorrow, I will be remembering all who have served our country, but in particular I will be remembering my own regiment, the Parachute Regiment. Among others, I will also be remembering the soldiers of the Yorkshire Regiment and the soldiers of the Light Dragoons.

I will be remembering the late Corporal Bryan Budd VC of the Parachute Regiment, and his family. I will be remembering the late Corporal Mark Wright GC of the Parachute Regiment, and his family. I will be remembering the late Barnsley-born Captain Martin Driver of the Royal Anglian Regiment, and his family. I will be remembering the late Major Matt Bacon of the Intelligence Corps, and his family. I will also be remembering the late Lieutenant-Colonel Rupert Thorneloe of the Welsh Guards, the highest-ranked fatality in Afghanistan, and his wife, Sally, who joined me and other colleagues in Parliament earlier this week. Tomorrow, I will also be remembering in particular the soldier from 4th Battalion the Yorkshire Regiment who was killed in Afghanistan only yesterday. I am sure that I speak for right hon. and hon. Members across the House when I say that our thoughts and prayers are with his family at this most difficult time.

Every life is equally precious and should be equally remembered. For those of us who have had the great honour to serve, despite leading very busy lives, every day brings quiet moments of reflection and remembrance. For me, they happen in this place every single day as I am walking down the long Westminster corridors, in the lift on the way over to the Chamber, or sitting behind my desk late each evening. For us, it is not just about the 11th hour of the 11th day of the 11th month. Every day, I find myself pausing to remember friends with whom I served, who never made it back to their loved ones. Every day, I find myself thinking about my own children, and about what might have been, had I not enjoyed the luck that I did. Every day, I am very

[Dan Jarvis]

grateful, and every day, I remember the families who will always be missing a mother or father, a husband or wife, a son or daughter.

I knew 10 of the first 100 men and women killed while serving in Iraq. At that point, I stopped counting. I felt that I had to. Despite what many believe about the wars and their implications for global security, for international legitimacy and for the nature of UK-American relations, no one should doubt that those who have fallen were among our very best and our very bravest. They are at the heart of all that is still great about Britain today.

I believe, however, that we must strive to do better as politicians in shaping the debate about defence, to ensure that the forces community receives the support that it needs and deserves.

Mark Tami (Alyn and Deeside) (Lab): My hon. Friend is moving on to the point that we need to do more for those who have not adjusted as well as he has after coming out of the Army. I have seen many people not only with physical injuries but with the kind of mental scars that often do not appear until many years later.

Dan Jarvis: My hon. Friend makes a useful point, which has already been highlighted by other Members in the debate. The reality is that those people who have served in the most difficult circumstances in Iraq, Afghanistan, Libya and elsewhere often do not present symptoms from those experiences until many years after the conflict has finished. It is therefore incredibly important that we, as a society, as politicians and as a Government, keep a close eye on those people.

We must remember the last 10 years in Iraq, Afghanistan and Libya, contentious though they have no doubt been. Support from the Government, in Parliament and across the UK for our veterans and their families must always be unequivocal. We must remember the value of charities such as the Royal British Legion, the Soldiers, Sailors, Airmen and Families Association, Help for Heroes and many others, all of whom contribute so much. For more than 90 years, the Royal British Legion has been a constant, a continuing pillar of strength for those who have served and for their families. I believe that its call, which was shared by many others, to leave the chief coroner out of the Public Bodies Bill was the right thing to do for our armed forces and their families. We should have listened to the legion when it made that important point.

We must also remember that, when the shots stop firing and the last bomb has detonated, our support for our forces must be absolute and unending. When Afghanistan and Iraq are consigned to the history books, our armed forces' physical injuries and mental recollections of those wars will live on for ever.

Our veterans deserve not adequate, not better, but the best support. On Friday, a veteran and his wife, Mark and Helen Mullins, were found dead, having killed themselves in despair. We must not forget those who served but now struggle, those who fought but now feel forgotten, those who stood-to but now stand alone. We, on all sides of this House, have a duty to protect our armed forces and to ensure that public support for them endures.

I quoted earlier from Sergeant McFarlane's poem, which concludes:

> "Reveille sounds and the parade is done
> The hero remembered, forgotten by none
> They leave to start the journey back
> In a coffin draped in the Union Jack".

Mr Deputy Speaker, the fallen. We must not forget and we must always remember. I know that I am enormously proud to have been in our armed forces for 15 years. I know that this House is enormously proud of our armed forces. I know, too, that this weekend, our country will demonstrate our pride in the best armed forces in the world.

3.11 pm

Bob Stewart (Beckenham) (Con): It is highly appropriate that we conduct this defence debate only a few hours after armed forces veterans gathered at their own private commemoration in the churchyard of Westminster Abbey, where His Royal Highness the Duke of Edinburgh was present.

I always wear a poppy between 1 and 11 November, but I do not need to wear a poppy—it is actually on my heart. The date I particularly remember is not this weekend but 6 December 1982, when six men were killed and 35 wounded under my command in Northern Ireland.

This debate is about personnel, so I shall concentrate on that. Getting the manning right is crucial for defence. When I commanded the Cheshire Regiment, I commanded about 600 people. When I joined it, the Cheshire Regiment had 700 people. In my time, tank regiments went from having 56 main battle tanks to having 42. Commanding officers are expected to do just as much as before, but with fewer people.

Of course, reducing manning has a direct impact on operational effectiveness. The strategic defence and security review suggests that Army strength should be at 82,000 with 30,000 reservists. I remain worried about how we shall get 30,000 reservists within a few years. The strength of the Royal Air Force is planned to be 39,000, with only 2,000 reservists. I agree with my hon. Friend the Member for Canterbury (Mr Brazier), who is worried and thinks that the RAF has to rethink the matter of reservists. He made the point to me privately—and I think he mentioned it in his speech—that it was reservist pilots who were the most effective in the battle of Britain.

I am worried about how the fitness levels of reserves will be monitored. Will they pass their annual fitness test and their annual personal weapons test? How will they do that? What about their dental records? They have to be dental fit, ready to go almost immediately. Mobilising reserves is not necessarily cheap—certainly not as cheap as some people might think.

The armed forces are still quite top heavy. Apparently, there are more than 250 officers of one-star rank in all three services. During the second world war, a three-star officer—a lieutenant-general—used to command about 100,000 people. That is the current all-out strength of the Army today.

I understand, although I am open to correction, that there are 33 officers of two-star rank and above in the Royal Navy. There are two full admirals, six vice-admirals, and 25 rear-admirals. If we include one-star officers, that means that the Royal Navy has more than one admiral for each of its 40 fighting ships—and, by the way, each officer of one-star rank or above receives a salary of about £120,000 a year.

I will not leave the Army alone, however. The Army has five four-star officers, who are generals, and, although I am not sure, I believe that it now has 17 three-star officers, who are lieutenant-generals.

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan) *rose—*

Bob Stewart: The Minister is about to correct me, so I shall sit down and listen.

Mr Robathan: Off the top of my head, I think we have four three-star officers in the Army at present, although I share my hon. Friend's concerns.

Bob Stewart: I thank my right hon. Friend. I am sure that he is correct. However, I am not trying to give exact figures; I am merely trying to draw attention to a trend, and to suggest that our forces are top-heavy.

Dr Murrison: Does not part of the difficulty lie in the MOD, whose civil servants, during both my hon. Friend's service and mine, have been keen to equate themselves with starred officers? I believe that that has driven some of the current inflationary pressure. Does my hon. Friend agree that the first priority for Ministers must be to deal with that management overhead?

Bob Stewart: I entirely agree, and I am sure that the Minister does as well. We must get that under control. Someone told me—again, the Minister probably has the figures at his fingertips—that the Army has some 1,700 lieutenant-colonels. If that is the case, they could man three battalions, and we have only 38 of those.

I will not go into the same details about the Royal Air Force, but the principle is the same: it remains quite top-heavy. I know that the Government intend to have a crack at reducing the problem. What we want in our armed forces are people coming in at the bottom—that is, people who actually do the business, rather than those who are in the background sitting behind desks.

Mark Lancaster: My hon. Friend is advancing a powerful argument, with which I agree. Does he believe that the only solution to the problem is for us to slow down the career progression of officers in the Army?

Bob Stewart: That is the dilemma. We want to encourage people to stay in the Army; we want to retain the experience of senior officers; and, in the event of something that we may not care to mention—a general war—we will require those officers to expand the Army, as my hon. Friend the Member for Canterbury suggested.

As for the basing of our troops, I am still worried about where they will go when they come back from Germany, if we have to get them all out by 2020. The details of how many will go to which places are yet to be planned. I am particularly concerned about where those extra troops will be trained, because the training areas already seem to be mightily over-booked. Cost is another issue. Converting Kinloss, which is currently an RAF station, to enable it to house, say, an Army battalion, will not be simply a case of "All out, one in". We should also ask where the families will go. As was said earlier, it would be a good idea to try to enable them to live further away, but there will be a problem with morale when there is a deployment and wives and children are separate from the main unit.

Finally, let me say a little about Afghanistan. I have heard an increasing number of complaints—some as recently as this week—about the suggestion that a quota of reservists are going there while regulars are being left behind. That quota, which may not be formal, is nevertheless causing some resentment. I ask the Minister to check on that. It costs more to deploy reservists; as regulars are already being paid for, they do not cost as much.

I am very concerned about reports this week that the United States will be withdrawing from Helmand. That has manpower implications. The gains from 2007 onwards might be in jeopardy, and who will take up the slack? It must not be us. We have three years to go before we are formally committed to withdraw from operations in Helmand and Afghanistan generally, although we will stay there in a training role. If the Americans withdraw, the commander in Helmand will have fewer manoeuvre units and fewer available reserves. I do not want us to reoccupy bases we have occupied previously, such as Sangin, Musa Qala and Now Zad.

It is also crucial that we maintain our own security as we withdraw. I know the Minister realises that; I am not trying to teach him to suck eggs. Withdrawing from an operational theatre is very complicated, however. It is often much easier to go in than to come out, and that can be very dangerous. We do not want to take pointless casualties, and we must not repeat the mistake of 2006, when we allowed our troops to be put into isolated locations unsupported. When we are withdrawing, we must not leave a thin line at the front and thin out from there. We must withdraw properly. I will not talk in detail about the tactics, but we must not leave our troops isolated and in a precarious situation as we withdraw.

I shall conclude now, but I should first apologise to the House as I must beg leave to be absent from shortly onwards as there is a constituency event I must attend. I do not wish to leave the Chamber, but once I have done the decent thing by listening to the next speech, I would like to be allowed to depart. Please forgive me, colleagues.

3.22 pm

Susan Elan Jones (Clwyd South) (Lab): I am sure the engagement that the hon. Member for Beckenham (Bob Stewart) must attend is a pressing one, and I do not wish to detain him.

Some hon. Members have served in our nation's armed forces, and there are others who have not served themselves but who have close relatives who are serving. As I fall into neither of those categories, I shall keep my comments as brief as possible.

My concern is as a constituency Member of Parliament. Last week, I brought to the Prime Minister's attention the concerns of my constituents Alan and Linda Eastwood, who are very worried about the Government's plans to abolish the post of chief coroner. Their son, James, is a

[Susan Elan Jones]

corporal with 1st Battalion The Rifles; he is 28 and has a wife and a two-year-old child. This week in a local newspaper, Mr Eastwood made the case for keeping the post of chief coroner much better than I could, so I shall quote his comments:

> "James has only just returned from Afghanistan. We are one of the lucky families. James has colleagues who have been killed and colleagues who have come back with no arms or legs. I just cannot understand the Government's position at all. To upset people who have suffered the loss of one of their family... I cannot see how the Prime Minister can justify it."

It is no secret that I am a Labour politician, whereas Mr Eastwood tells me that he has never voted Labour in his life. I do not personally hold that against him, but I hope that I might be able to change his mind. Even if I cannot, partisanship is not the point in this issue. As a layperson, I believe that the point is that if Parliaments and Governments are to decide that young men and women are to be sent to situations where, in worst-case scenarios, they may have to make the ultimate sacrifice, the very least we can do is listen to those service personnel, those families and those organisations with the know-how—the people who know best. That is why I sincerely hope that the Prime Minister will listen to families such as the Eastwoods and to the Royal British Legion on this most important, personal and sensitive of matters.

I have one brief further point to make. Before I came to this House, I worked in the voluntary sector for 15 years, latterly for housing and homelessness charities. Nobody works for organisations of that nature without coming across the problem of the number of ex-service personnel who become homeless. In 1997, a well publicised survey from the Ex-Service Action Group on Homelessness found that about a quarter of street homeless people had a background in the armed forces. I remember that there was outrage and intense media scrutiny at the time, as indeed there should have been.

Jointly, Government action and Government action in partnership with many extraordinary voluntary organisations reduced the problem—one study by the university of York found that this action led to a fall in homelessness from about 22% to 6%. I accept that producing such figures is not an exact science, but everyone accepts that a significant reduction was made. None the less, any homeless figure, however welcome any reduction achieved, is still too many. I know that many today fear that the Government's caps on housing benefit and cuts to homelessness provision, and the significant job cuts within our armed forces, are likely to make the situation much worse. I therefore hope that the Government will not reduce the MOD's resettlement programme and that they will carefully consider the arguments I have made today. Finally, I hope that they will also reconsider their decision to abolish the post of chief coroner.

3.27 pm

Mark Lancaster (Milton Keynes North) (Con): I start by declaring my interest as a member of the reserve forces. I regret that I cannot make the same declaration of interest as my hon. Friend the Member for South West Wiltshire (Dr Murrison) as an Army pensioner, but that is probably because he is rather more senior than I am. *[Interruption.]* I am delighted to hear that, apparently, the Under-Secretary of State for Defence, my right hon. Friend the Member for South Leicestershire (Mr Robathan) is an Army pensioner.

It is a pleasure to follow the hon. Member for Clwyd South (Susan Elan Jones), who made a very powerful case on behalf of veterans and especially their families, as did my hon. Friend the Member for Beckenham (Bob Stewart) and the hon. Member for Barnsley Central (Dan Jarvis), who has just left the Chamber. I must say that I am not convinced that his readjustment to civilian life is best served by becoming a Member of Parliament, but that is another matter.

In discussion just now with my hon. Friend the Member for Canterbury (Mr Brazier), I realised that I first wore a uniform in 1983—that can probably be bested only by the Minister—when I joined the combined cadet force in Kimbolton school, where I hope to return briefly this weekend. Every year since then—so for some 28 years—I have either marched or worn a uniform on Remembrance Sunday. This Remembrance Sunday, I will be in Newport Pagnell in my constituency for the eighth consecutive year. Above its war memorial is a small plaque, which is easy to miss, commemorating George Walters' Victoria Cross. He was born in the town on 15 September 1829 and earned his Victoria Cross on 5 November—appropriate for me as a firework manufacturer—in 1854, some 157 years ago.

In those 28 years of attending Remembrance Sundays in uniform, I have seen an interesting transition. In the early days in the 1980s, attendance was probably not what it should have been, but over subsequent years, it has grown and grown. There has also been a change in the perception of the general public, from imagining that veterans were old men, recalling images of the first world war, to realising now that veterans come in all shapes and sizes—I am not looking at my hon. Friend the Member for Beckenham when I say that—and some are very young indeed. I feel obliged to say that to my hon. Friend, as there was a suggestion earlier that reservists—I say this as I suck in my stomach—were being mobilised without passing their combat fitness test. I reassure him that that is not the case. The act of remembrance on Remembrance Sunday is now embraced by a far wider community than it was 20 years ago. That has to be a very good thing and one that I hope we all continue to encourage.

Earlier this year, it was an honour to serve on the Armed Forces Bill. There have been some comments about whether or not the armed forces covenant was enshrined in law, as well as some slightly party political comments about whether that was a good thing or a bad thing, who voted for it and who did not. I take the view shared by most members of the armed forces: I do not really care one way or the other. I repeat what I said earlier in the year: this Government will be judged not on words, but on actions. In years to come, this Government and their successors will be judged on whether the armed forces covenant was effectively enshrined in law by what is done, not by what is said.

The Bill dealt with three principal subjects, the first of which is housing. I welcome the fact that £61.6 million will be spent on service housing this year, but if one goes to Lympstone, for example, one sees that an awful lot more money will have to be spent in future years if we are to get the standard of housing up to the level that our armed forces deserve. The £400 million Firstbuy scheme, which will allow some 10,000 service and veteran families to get access to housing, is equally welcome. That is very good news, but 10,000 families is only a start; the scheme will have to be continued in years to come.

Secondly, on education, I welcome the £3 million being put into the pupil premium to help service families. Some years ago, when I was on the Defence Committee, we had an investigation into education. Such a policy was suggested at the time, although it may not have been called a pupil premium, and it is good news that it has been implemented.

Thirdly, on health care, I am sorry that my hon. Friend the Member for South West Wiltshire is no longer in the Chamber, because he has done a tremendous job in highlighting the mental health issues of servicemen and veterans. I have seen for myself the very good work that is being done and it is right that we pay tribute to successive Governments for that work. It has not been done instantly in the past 18 months; it has been done over a number of years, and I trust that that will continue in years to come.

I turn briefly to the strategic defence and security review. I was on HMS Portland about two weeks ago, where I came face to face with a young sailor who had been told that he would be made redundant, not voluntarily, but compulsorily. Members of Parliament should come face to face with people in that situation. It was a difficult conversation, which put the whole subject to the fore of my mind. He accepted what was happening, and I found it deeply encouraging that a redundancy programme is being put in place over the next 12 months to ensure that that young man will have the training and resettlement assistance that he needs to go back into civilian life. That is vital and I urge the Government to do more. Under no circumstances can that resettlement package be cut.

In my last few minutes I shall look forward to the future composition of the Army. We are set to have some 112,000 members by 2020—82,000 regulars and 30,000 reserves by 2015. I am particularly interested in the future of the Army in the context of contributing to the Government's building stability overseas strategy. As we slowly withdraw from Afghanistan and end our commitments in Iraq, there is an acceptance that in future we will have to look at upstream intervention in fragile states. The comprehensive approach across Government, with the Department for International Development, the Foreign Office and the Ministry of Defence all coming together like three strands of a rope, will be vital to this country's future interests. If I am honest, though, I feel that the Government document is slightly light when explaining how that upstream intervention will be carried out.

We all know that every £1 spent upstream can save £4 downstream, and I am delighted that DFID is committing 30% of its future investment in fragile states, but how exactly will we do that? How will we increase defence engagement in future years and grow the capacity of other nations? Will it be done by setting up a series of courses that we can support? With our current UN involvement, only a handful of British armed forces members are in the Democratic Republic of Congo or doing UN monitoring missions around the world. I believe that once we draw down from our commitments in Afghanistan, we can begin to make a real contribution to upstream intervention, and in the months to come I would like exactly how that will be done to be fleshed out.

I will finish with a few comments on the reserves. It will be challenging to get 30,000 reserves by 2015, but it can be done. Of course, only seven or eight years ago we had well in excess of 30,000 members of the reserve forces, and in the 1990s we had 58,000. I am convinced that in our society people are prepared to join the reserve forces, but it will not be straightforward. We will have to invest. We also have to realise that often the only link between Members and the armed forces in their constituencies is perhaps a cadet unit or Territorial Army unit, but the footprint we currently have, which forms such a strong link to our society, might not be the exact footprint we will have in future. It will be hard to find that balance, so it will be testing for hon. Members to find out what that footprint will be in future. Just because we are getting bigger does not mean that the footprint will automatically get wider.

I want to pick up on a point my hon. Friend the Member for Beckenham made about mobilisations of reservists being almost compulsory. As a bomb disposal officer, I hosted a dinner here on Saturday night for 156 other bomb disposal officers. My old squadron, 217 Field Squadron (EOD), is now part of one of the hybrid regiments, 33 Engineer Regiment, which is a regular regiment. A couple of the young officers—I will not name them, because if I did they would be in front of their commanding officer next week—told me that they are under pressure to ensure that reservists are mobilised rather than their own regular forces, which is causing minor resentment. That is something that the Ministers needs to ensure we address, because the future of our armed forces must be as one Army, in which we work together without resentment between the regulars and the reserves.

3.37 pm

Rushanara Ali (Bethnal Green and Bow) (Lab): Let me start by adding to the tributes paid by Members on both sides of the House and offering my sincere condolences to the family and friends of the soldier from 4th Battalion the Yorkshire Regiment who was killed yesterday while on patrol in Afghanistan and to the family and friends of Flight Lieutenant Sean Cunningham, the Red Arrows pilot who died on Tuesday, whose dedicated service to the RAF included several operational tours in Iraq. Our thoughts are with them at this most difficult time.

As we approach Remembrance day, it is important to remember all those who have served our country. I am grateful for the opportunity to speak today and delighted to follow the hon. Member for Milton Keynes North (Mark Lancaster) and many other hon. Members who made moving speeches, including my hon. Friend the Member for Barnsley Central (Dan Jarvis).

In my constituency I come across many people who remind me of the courage and determination of so many in the east end during the second world war. I will never forget the elderly lady who survived the blitz but lost her family overnight, or the many other stories of sacrifice and loss. The night of 7 September 1940 marked the start of a sustained bombing attack on London by the Luftwaffe. On the first night alone, 430 civilians were killed and 1,600 were seriously wounded in east

[Rushanara Ali]

London. The structural damage to London was enormous, and the east end was so badly hit that when Buckingham palace was attacked at the height of the bombing, Queen Elizabeth, the Queen Mother, said:

> "It makes me feel I can look the East End in the face."

In the Bethnal Green tube disaster, my constituency suffered Britain's worst single loss of civilian life during the second world war. On the night of 3 March 1943, a large crowd tried to take cover in the tube station during an air raid, but, tragically, on entering the station via the steps on the south side, about 300 people became trapped, and as they slipped and fell on the steps there was a crush, leaving 173 people dead and 60 injured and needing hospital treatment.

In March this year, I joined my constituents and many others from throughout the east end to commemorate the 68th anniversary of that disaster and to remember those who lost their lives so tragically. Their memory is served by the Stairway to Heaven Memorial Trust, which is working hard to establish a fitting memorial to remind future generations of the sacrifices made, and I appeal to the Minister to lend his support to that important campaign, which requires another £200,000 for the project to be completed.

We must honour the memory of those who served our country, and do so not only with our words but with our actions. It is therefore right that we protect the memorials that have been established in honour of those military personnel and civilians who lost their lives. My Labour predecessor, Oona King, fought tirelessly through the Civilians Remembered campaign to establish a memorial to those east enders who lost their lives during the second world war.

The Hermitage memorial garden in Wapping, in an area that my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) represents, commemorates those civilians who died during the blitz, but recently the memorial was vandalised and protective gates have had to be erected around it. It is of paramount importance that we ensure memorial sites such as the Hermitage garden are protected from vandalism and continue to serve as a reminder of those who sacrificed so much.

By the end of 2014, UK troops will have completed all combat operations in Afghanistan, marking 13 years of UK involvement there. The sacrifice of our armed forces has been great, and we will never forget the 385 UK military personnel who, with their lives, have paid the ultimate price for our country.

The welfare of our troops is paramount, and we must ensure that they have the support they deserve during active service and in retirement. We must ensure also that their families have the support they need. I welcome the Government's decision to enshrine the military covenant in law, but, as other Members have pointed out, it was disappointing when they failed to support the amendment that the hon. Member for Brigg and Goole (Andrew Percy) tabled to the Public Bodies Bill to retain the office of the chief coroner, which the previous Labour Government proposed.

My constituents are concerned that, without that office, there will be no independent and impartial advice for bereaved families, who should have the right to challenge the findings of any inquiry that they consider to be insufficient.

One of my constituents, Gareth Turkington, who lost his brother, wrote to me and said:

> "Our family lost our son and brother Lt Neal Turkington 1st Battalion The Royal Gurkha Rifles on 13th July 2010 in Nar-e Saraj, the Helmand Province of Afghanistan.
>
> Neal selflessly committed his life to helping make our nation safer and to help make a difference by bringing freedom and prosperity to Afghanistan. His death was as a result of an Afghan National Army soldier carrying out a well planned and executed attack within the ISAF/ANA shared patrol base PB3. This happened despite three similar conflict related attacks at US/ISAF bases, resulting in 24 deaths and up to 40 injured.
>
> My family and I were at his inquest. It was one of the most harrowing experiences of our lives. Today you have the chance to help ensure that both bereaved Armed Forces families and bereaved families in general don't have to go through everything my family went through.
>
> You have the chance to signal your personal support for all bereaved families by voting for Andrew Percy's amendment to remove the Chief Coroner from the Public Bodies Bill."

I appeal once again to the Minister to think again and support those families who are calling for that action.

Finally, our armed forces are among the best in the world. This is a poignant time to remember the huge sacrifice that our servicemen and women have made to defend our country. We must do everything to ensure that our freedom and liberty is protected by supporting them.

Mr Deputy Speaker (Mr Nigel Evans): I was not going to intervene on the hon. Lady, but I remind Members to refer to current serving Members by their constituencies.

3.46 pm

Mr Robert Syms (Poole) (Con): I am not a regular contributor to such debates—not least because I am usually outranked and certainly outpensioned by half the people who speak—although they are very important. I was in the Combined Cadet Force in the 1970s and my main contribution was trying to avoid carrying the Bren gun over the Brecon Beacons whenever we were on exercises.

My constituency has some very proud associations with the military—for example, with the Rifles in the Army and with HMS Cattistock, which is one of our minesweepers; its skills are admired by all, including the US navy. Indeed, we have a Royal Marines base in Poole, where the Special Boat Service is based. That service includes some of the most professional and admired specialists in the world.

Like many hon. Members here, I will be attending a Remembrance day ceremony in Poole park. I have done so more times than I care to remember. In my early years as a Member of Parliament, it was clear that the vast majority of people at the ceremony were world war two veterans, although some people had done national service and there was the odd person who had served in Northern Ireland.

What has changed is the number of young families turning up with photographs of fathers or mothers who have been killed in action. That has been the biggest change during my time in Parliament and it makes me think very carefully about the decisions we, as politicians, make about war and peace, and life and death, because people have to deal with the consequences of the United

Kingdom's policy. Given longevity, some of the youngsters who have lost fathers may well be around for another 70, 80 or 90 years—long after we have gone. Our legacy must be not only to support the military covenant, but to ensure that we look after those families who have lost a loved one. We must provide the best possible support we can to our armed services, which we all value so much.

Service accommodation is a very important issue. Over the past few years, there has been a great effort to improve the standard of all housing in the United Kingdom. A lot of money was spent on council housing to bring homes up to the decent homes standard. Yet much service accommodation remains not that good. I have had many conversations with the wives of Royal Marines in Poole, some of whom work as nurses or health visitors. They often say that when they visit people on benefits in Poole, their housing conditions are substantially better than those of some of the people in the Special Boat Service. Many have often said that they are a little ashamed to ask people back to their home because the standard is not very good.

I understand, as I think we all do, the economic situation that our country is in and the fact we have to make economies. However, as soon as money becomes available, we need to invest in providing decent housing standards for the families of people in the armed services. When we commit people, as we have done in the past, to 12 months in Afghanistan, we want them to be able to leave their families in a home we would all be proud of. Therefore, much work needs to be done on that matter.

Mr Arbuthnot: One of the problems that my hon. Friend highlights is that the armed forces are the only people who have to compete for funding in terms of their housing and the provision of weapons to keep them alive. It is not easy to work out how to resolve that dilemma.

Mr Syms: My right hon. Friend makes a good point; of course, he is very experienced in this area. That raises the question of whether another organisation should be supplying the housing instead of the Ministry of Defence. Having looked at the resources made available to Poole Housing Partnership, which deals with the several thousand council houses that we have in Poole, it is clear that it could easily maintain and upgrade the hundreds of MOD houses if there were some kind of tie-up or support. We need to think rather more creatively about how we can channel the resources that are available. The hon. Member for Colchester (Bob Russell) made a powerful point about a case in his constituency of homes on two sides of the road, some of which are being done up with public money and some of which are not, because their funding happens to come out of different pockets. It should not be beyond the wit and wisdom of our country to find a way through this.

It is terribly important that we understand the angst of service families who leave the service having been unable to buy a home because they have been serving in different areas, and so have to go on the social housing list and then find that they cannot be allocated housing. I hope that changes made at the end of the time of the previous Government and under this Government will make that somewhat easier. Most ex-military people should be at the top of the housing queue, not at the bottom. My general view of what has been happening with my constituents suggests that there is now a much better understanding of that, and that housing authorities are much more willing to find accommodation for them.

We all know about the difficulties there have been with people who are in combat one minute and getting on a jet to fly back to the United Kingdom the next. Within a day or two of being in combat, they have to adjust to being home. I am pleased that this country has done a lot more as regards the military hospitals and mental health back-up needed for the people in our armed services. I was also pleased to hear what has been said about resources to help service families and their children in relation to education.

We seem to be finding our way to a far more holistic approach towards support for the various aspects of the lives of those in the military. Certainly, there is a much better understanding of the importance of our military. Like many Members, I am sure that when I am in Poole park on Sunday for our usual parade, many more people than we saw years ago will turn out to commemorate service personnel. There is much more public support for the military. We must maintain that support for, and investment in, these very brave and exceptional people. As has been said, the United Kingdom armed forces are second to none; they do our country proud. We must invest in them and their families, and I hope that this debate plays some small part in progressing that.

3.53 pm

Stella Creasy (Walthamstow) (Lab/Co-op): I am honoured to follow the hon. Member for Poole (Mr Syms), who talked passionately about the importance of supporting the families of servicemen and women in this country.

I think that I bring a slightly different dimension to the debate because I am possibly the only person here who is the partner of somebody within our military, and therefore feels absolutely passionately—

Sheryll Murray (South East Cornwall) (Con) *indicated dissent.*

Stella Creasy: I apologise—I see the hon. Lady shaking her head. I was not aware that she had a connection as well.

Sheryll Murray: Will the hon. Lady acknowledge that my hon. Friend the Member for Gosport (Caroline Dinenage) is married to a member of the armed forces?

Stella Creasy: Absolutely. My point in raising this is simply to say that the concern for all of us who are interested in the welfare of our armed forces is not only about the people who serve but about those who support them. We have to support not only our armed services but those in their families who are affected by what they do.

Each of us is here today to remember the sacrifices of those who have served within our communities and our country. My hon. Friend the Member for Bethnal Green and Bow (Rushanara Ali) admirably put on record our gratitude to the people who, unfortunately, have lost their lives in the past few weeks alone. I echo those

[Stella Creasy]

sentiments. I also want to put on record the gratitude that I am sure we all feel towards the people from my own community in Walthamstow who gave their lives. Let us therefore say to the family of Regimental Sergeant Major Darren Chant of the Grenadier Guards, who gave his life for our safety on 3 November 2009, that we will never forget his sacrifice.

I also want to recognise the contribution of those who have served and come home. In particular, I put on the record my thanks to Rob Richier, who retired recently after 35 years of service in the forces. He is now leading the Royal British Legion in Walthamstow. I was honoured to host a dinner for 150 people for his retirement and in support of the work that he is doing in Walthamstow. I have seen at first hand from working with him what a difference he is making to support members of the armed forces in Walthamstow.

I wanted to speak in this debate to raise a particular concern that affects forces families. My hon. Friend the Member for Barnsley Central (Dan Jarvis) referred to the tragic case that many Members will have seen in the press yesterday of a serviceman and his wife who felt so forgotten that they took their own lives after they had fallen badly into debt and were struggling with their financial situation. A critical issue that we must address in dealing with the welfare of our armed forces and their families is their finances. My hon. Friend the Member for Clwyd South (Susan Elan Jones) raised the particular concern of homelessness in relation to the armed forces. I want to consider the experience of the armed forces in accessing finance. I will draw on evidence of how the American military have dealt with this issue and of their concern about how armed forces personnel manage their money.

In 2006, the Department of Defence in America conducted research into the impact of payday lending on servicemen and women and their families. It recognised that companies were targeting them because of a number of factors, not least the relative youth of the military and the cash-flow fluxes and shortages generated by life in theatre and at home. Another factor was that the American military took a strong line on indebtedness among their members, which meant that many of them did not seek debt advice and counselling early on to avoid debt problems.

What is particularly striking is that the American military recognised the problems of debt among their servicemen and women as a threat to military readiness. They recognised that debt was the second most stressful aspect of the military lifestyle and that it outpaced separation from families and being on deployment. In particular, they recognised that because military families were not necessarily able to access credit in the way that the rest of can, they were particularly vulnerable to a reliance on high-cost credit. The research found that the average borrower in the American military had taken out nine payday loans in a year and was paying back $834 for a $339 loan.

Consequently, the John Warner National Defence Authorisation Act was passed in 2006. It closed the loophole that allowed American lenders to exploit service personnel and introduced an interest rate cap to make it impossible to lend to military personnel at more than 36% APR. Clearly, there are still problems in America with indebtedness in military families, but awareness about the issue has been raised, as has the protection for those families. Indeed, America's Consumer Financial Protection Bureau now has a special service dedicated to soldiers, the Office of Servicemember Affairs, which is headed by Holly Petraeus. One of her many acts is to promote credit unions to service people.

I raise that example not simply to say how much the Americans have done to support the families of those who serve in the military, but to raise my concern that exactly the same problems are happening among military families in the UK. The payday loan companies that have exploded in the UK in the past 18 months are already targeting the military. Loansite.co.uk markets itself as the forces loan finder. Easymilitaryloans.co.uk—the title alone is a giveaway—makes a virtue of lending to service personnel in the UK with poor credit histories. QuickQuid, whose interest rate is 1,734%, states on its special military site:

> "You provide security and protection for your country—shouldn't your armour against financial problems include access to military loans when you need them?"

The consequences of that targeting are becoming all too clear, not least to the Royal British Legion, which has a dedicated benefits and money advice service that does fantastic work to help service personnel and veterans with debt problems. That service is up against it in the current economic climate, especially given the rate at which the high-cost credit industry is growing. It is particularly striking that whereas in its first year of operation in 2007 the service helped 2,500 army personnel, last year the figure rose to 11,000. It predicts that the figure will keep rising. The most telling point for this debate is that nearly a third of the service's clients turn to it because they have taken out unsecured loans.

We know that high-cost credit is increasingly used by those who have no access to mainstream credit. Indeed, research in Sheffield found that 40,000 people in that city alone were in that position. We know that a worrying proportion of people taking out payday loans are doing so just to make ends meet. One in four of them need the money to buy food or essentials, with 44% of them using it just to pay off other debts. In that context, people who are financially fragile because they or a member of their family serve in the military are particularly at risk.

The Royal British Legion states that debt problems tend to be much more complex for Army personnel than for civilians, and that they require a higher level of debt advice. It estimates that 63% of the debt advice that it offers is classified as specialist advice, compared with just 12% of the casework of normal citizens advice bureaux. Such figures demonstrate not only the importance of what the Royal British Legion's money advice service does but the uniquely complex nature of the debt problems that many of our service personnel face.

We know that the payday loan industry is growing rapidly in this country, and that the risk of its targeting our military service personnel is increasing. We know, too, that we could act quickly to regulate the market as a way of providing real protection not just to service families but to the 6 million people in our country who are financially fragile. That was why I wanted to raise the issue today.

I hope that I can encourage the Minister to consider doing exactly what the American military have done, and at least commission research into the nature of debt in our forces' families in the UK, so that we can understand the consequences of payday loan companies and the difficulty that those in the military face in making ends meet. I also hope that when he has seen that research, or even the work that the Royal British Legion is doing on welfare advice, he might be persuaded to speak to his colleagues in the Department for Business, Innovation and Skills to talk about how it would be possible to introduce a cap on the cost of credit to protect people. I also encourage him to consider how to ensure that we have a credit union that serves the UK military and their families, so that they can access affordable credit.

We all remember today the service of those who have made the ultimate sacrifice and given their lives for a better tomorrow. I have simply raised my points to ask that that better tomorrow does not include debts, and that we as a Parliament act as quickly and appropriately as we can to ensure that we give all our citizens protection from payday loan companies.

4.1 pm

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): I thank you, Mr Deputy Speaker, for calling me to speak, especially on the eve of Armistice day. I also thank my hon. Friend the Minister for the Armed Forces for naming Plymouth earlier this year as the venue for next year's national armed services day events. I am sure the hon. Member for Plymouth, Moor View (Alison Seabeck) also welcomes that. Plymouth, needless to say, is a very proud city with a very fine Royal Marine and Royal Naval heritage. The authorities there will most certainly handle armed services day with enormous professionalism, and it will be incredibly well organised.

Tomorrow, 3 Commando Brigade, which is based in my constituency, will march through the city. I am absolutely sure that there will be a very big turnout of people who wish to demonstrate just how loyal to the brigade they are, and how proud they are of the service personnel who have acted in Afghanistan during the past few months or so. Tomorrow and Sunday will provide an opportunity for us to show our respect, alongside civic leaders. It will tinged with sadness, of course, because there have been some casualties, including Corporal Mark Palin, whose funeral I attended in the summer, who lived in Devonport and made the ultimate sacrifice.

In passing, I wish to thank FIFA for deciding, eventually, to allow our English footballers to wear their poppies. That is appropriate, because in 1915, in no-man's land, there was a ceasefire at Christmas, so the soldiers could play football. Unfortunately they did not play cricket or rugby, but they decided to play football. That is a clear indication of the part that football has played.

Today's debate is about how we value our armed services, and valuing them is very important. As a Navy brat, with a father who served in the Royal Navy and was partly responsible for getting the gold and the King of Norway out of Norway in 1940, and with a whole series of family members who have served in the services, I can safely say that I think I have had a fairly good understanding of what it is like to serve in the armed forces and make the ultimate sacrifice.

Not only do I represent one of the principal naval ports, but as vice-chairman of the armed forces all-party parliamentary group with special responsibility for the Royal Marines, and through my participation in the armed forces parliamentary scheme, I have gained a much better understanding of how the armed services play such a significant part in the defence of our country.

During the summer on a trip from Malta to Majorca with one of the ships, I had the opportunity to see first hand how our Royal Navy people go about their jobs. One thing they talked about was how they felt let down that they did not have the opportunity to receive a medal for their anti-piracy work. They said that they got one from the EU but were not allowed to wear it because it has not been approved by the Queen. Will my right hon. Friend the Minister ensure that that situation is looked at?

Mrs Moon: I understand that there is to be review of the body that is responsible for giving medals, which is an obscure and almost secretive organisation. Should not that responsibility lie with the House and not with some obscure group of flunkies somewhere in a back room?

Oliver Colvile: The body should be asked to give advice, but perhaps ultimately, the decision ought to be made here.

Mr Robathan: The Honours and Decorations Committee might be obscure, but it exists to give advice to Her Majesty the Queen, who is the fount of honours and who gives medals, not this House. In my opinion, with which hon. Members may disagree—the hon. Member for Bridgend (Mrs Moon) is right that we are having a review—it is important that politics and party politics should not be involved in decisions on medals, because that should be done in the chain of command. I have been under pressure to intervene in gallantry awards for people whom I have never met. However, the granting of honours must be decided not by politicians, but by others who are involved in campaigns.

Mrs Moon *rose—*

Oliver Colvile: If the hon. Lady wishes to intervene again, she is very welcome to do so.

Mrs Moon: Transparency is essential, and the big problem with the Honours and Decorations Committee is that it is not transparent.

Oliver Colvile: It is the job of the Queen to make decisions on who gets such honours.

In the few minutes available to me, I want to concentrate on the mental health of those members of the armed forces who serve to defend our country. Other hon. Members have spoken with some knowledge of that, especially my hon. Friend the Member for South West Wiltshire (Dr Murrison), whose paper on mental health and combat stress, "Fighting Fit", has made such a significant contribution in helping us to determine our armed forces covenant and the Armed Forces Act 2011.

There is a great deal of difference, however, between passing legislation and ensuring that recommendations are put into action. For many, serving in the armed services will be one of several careers that they will have. It is important that they do not find themselves handicapped from having other careers and doing other jobs. Some

[Oliver Colvile]

might go into teaching and others might go into security or whatever, but it is important that we ensure they can go into other jobs.

A great deal of publicity was given to the fact that a significant minority of servicemen and women suffer from mental ill health as a result of their experiences. It is important that we ensure they are capable of going into other jobs, but according to research by the excellent Combat Stress, which, as my right hon. Friend the Minister knows, was set up in 1919 and which currently helps 4,600 veterans, suggests that of the 191,000 personnel who served in Iraq and Afghanistan, about 4.6%—about 7,600 people—could develop post-traumatic stress disorder, and that another 37,600 people, or 19.7%, could be battling other debilitating mental health problems, such as depression, mood disorders and anxieties. It can take up to 13 years for mental illness to become apparent. We must not waste any time in finding a solution and putting a strategy in place. I welcome the Government's changes to the delivery of our health services, but I am keen that there be a strategy to ensure that our general practitioners and other health professionals think through how to handle those mental health issues, especially in a garrison town such as Plymouth.

Fabian Hamilton (Leeds North East) (Lab): I agree with everything the hon. Gentleman has said about the incidence of mental ill health and the need for the health service and other bodies to cope with the mental health needs of those in the armed forces. Does he agree, though, that younger people in the armed services suffer more from mental health problems as a result of their involvement in combat after the age of 18? Given that the United Kingdom is the only country in Europe that still recruits soldiers from the age of 16—last year, 17.4% of new recruits were aged 16 and 29.8% were under 18—is it not time to review the age from which we recruit? Should we not recruit over-18s only?

Oliver Colvile: If I may say so, that is a non sequitur. A range of people, from across the board, regularly come into my office suffering from a mental health issue, and it is important that we look after all of them, not just a small number.

In preparing for this debate, I spoke with representatives of Combat Stress, who told me of their concern about the lack of detail in the Government's approach, and asked for assurances that either health care or other policy areas would cover the mental health of armed forces personnel and veterans. It noted that the stigma surrounding people with mental health conditions, such as post-traumatic stress disorder, was still preventing veterans from seeking help.

Last month, I attended, in the Speaker's apartments, the launch of Combat Stress's anti-stigma campaign, which aims to highlight the plight of veterans suffering from mental illnesses owing to the scars of war. I was told that 81% of veterans felt ashamed or embarrassed about their mental ill health, and that their fear of stigma and discrimination meant that more than one in three did not feel able to tell their families or friends about their problems. The other day in Lympstone, I met a Royal Marine who told me of his experience. He went home and told his wife about his problems, but she said, "Don't talk to me about that. I had to deal with 200 e-mails today. I have a lot on." He went off to find his mates, but that was not good enough either, so ultimately he had to find his fellow Royal Marines. We need to ensure much better connectivity for those people.

Finally, I am concerned about how the reservists are taken care of. We have in place a very good system under which regular armed services personnel can get a lot of help, but I am told that there are problems for reservists leaving theatre and re-entering their community, and that we do not necessarily do as good a job looking after them. I urge my right hon. Friend to do something about that. Reservists take time off from their normal jobs, and their employers expect them to go straight back again, which they will almost certainly do. However, can we do something about that? If we do not sort this out, we risk creating a ticking time bomb that will need much more resources and attention further down the line.

4.14 pm

Chris Evans (Islwyn) (Lab/Co-op): The wonderful thing about defence debates in this Chamber is that they are so well informed. When we stand to speak, we feel that we are really speaking to people who have expertise—people who served in the forces; people who are partners of people in the forces; people who serve on the Select Committee on Defence.

I cannot start a speech in a defence debate without congratulating the Royal British Legion. Yesterday, attending Prime Minister's questions, regardless of whether I agreed with what the Prime Minister said, I could not help but notice the sea of red poppies on both sides of the House. The Royal British Legion truly deserves to be congratulated on the success of its campaign and on making the poppy a fixture every November. As an aside, I pay tribute to its "Time to do your bit" campaign. On Sunday, I did my bit by running seven miles along Cwmcarn scenic drive, which, as anyone who knows it will agree, is very hilly. I think I speak on behalf of my parliamentary researcher Dave when I say that, rather than just doing our bit, we were both in bits by the end, but there we go.

Since I became a Member of Parliament, the most amazing thing—a great honour, too—is that I am invited to so many remembrance parades. This weekend I will join people in Oakdale, Pontllanfraith and Meas-y-cwmer as they come together to remember the war dead. However, when we think of remembering people, we should be aware that there is a group of people in this country, only 1,011 in number, who have a case to be remembered that is rarely heard in the House of Commons. They are, of course, the nuclear test veterans—those who suffered illnesses related to the nuclear bomb tests in the Indian ocean in the 1950s and 1960s.

We are proud in Islwyn that we have the only commemorative stone to mark the commitment of those veterans to our forces; it sits in the memorial garden in Risca. I cannot mention it without paying tribute to a local councillor, Stan Jenkins, who is responsible for the stone. When he was the mayor of the old Islwyn borough council, he met with a nuclear test veteran and was so moved by his plight that every October he organised a march through Risca, with the whole community coming together to show its support for those boys, and this year is the last year it will be held. Their standard has been placed in St Mary's church in Risca, and until it turns to dust over time, the cause endures and the fight goes on.

We as politicians are rarely faced with serious decisions, but in years to come, when children go to the memorial garden in Risca with their parents or grandparents and read what it says on that stone—a simple sentence: "Justice is all we ask"—and when they ask their parents or grandparents, "Did those soldiers have justice?", what will we say? Will we say, "No. The Government stood behind judges and law courts and they kept frustrating them, so that they died without being compensated"?

Mr Kevan Jones: When I was the Minister for veterans, I made an offer to settle those cases. It was the lawyers representing the nuclear test veterans who rejected that settlement proposal. I feel—I know the current Minister feels this too—that the injustice in this case is not helped by the lawyers representing those veterans.

Chris Evans: I thank my hon. Friend for that. Coming from a mining area, he knows as well as I do how much the lawyers frustrated justice for our miners too. I say this to the lawyers: if the Government have made an offer that is fair and acceptable to the veterans, they should accept it.

Mr Robathan: I am grateful to hear what the hon. Gentleman is saying. May I suggest that he says that to the lawyers in terms—not just in the House of Commons, as it is well known that anyone who wants to keep a secret should reveal it on the Floor of the House, but in the "Risca Herald", or whatever it is called, and that he also talks to a firm called Rosenblatt?

Chris Evans: I agree, and I have said it before. I digress from the debate, but the miners' compensation scheme was a wonderful scheme, yet it was frustrated by the claims farmers and other bloodsuckers who came along and tried to make money out of it. I think I have the support of the whole House in saying that. However, we have an opportunity to give those veterans justice. The Government need to stand up to the lawyers, and we need to do something about them.

When we discuss veterans, we often hear people in this House talking about "the forces family". When I hear such phrases, I hope that they are not marketing speak or—dare I, a Labour Member, say it?—spin. I hope that they mean something. A member of a family is cared about regardless of what they do in their life; they know that help is available to them. Yet I hear all the time about veterans who leave the forces and receive no help, and in 2005, the Royal British Legion produced a report that stated that 6% of those leaving the forces had welfare issues and nowhere to go. I want the Government to do more.

It is easy, especially at this time of the year, to think of veterans as the old folk who walk in remembrance of their fallen comrades, but a veteran can be anyone—a 21-year-old or a 60-year-old—and we must do all we can to honour them. It is time for the Government to honour them properly, and that means creating a department for veterans. In the United States, George H. W. Bush said:

> "There is only one place for the veterans of America, in the Cabinet Room, at the table with the President of the United States of America."

That is what we should have in this country: the voice of veterans right next to the Prime Minister. At the moment, the Minister for veterans also has responsibility for forces education and accommodation. When my hon. Friend the Member for North Durham (Mr Jones) was the Minister, I think that he was even in charge of the weather. My predecessor as MP for Islwyn was also a veterans Minister, and he always said that, in the year that he was Minister for veterans and in charge of the weather, the sun always shone and we had the sunniest summer on record. I do not know how true that is.

Veterans need a voice to stand up for them. We have a wonderful organisation in Veterans-UK, but people do not know about it. Its name should be on the tip of everyone's tongue, just as those of the BBC and many other organisations are. More should be done to advertise it, so that when people leave the forces, they know that there is an organisation that can help them.

I really should not say this, but I am going to give the Government a bit of advice. If they really want to be popular and if they really want to see their poll ratings go up, there is one thing that the Minister could do, right here, right now. He could make veterans day, on 27 June, a bank holiday. In that way, everyone could celebrate, just as they did during the royal wedding. They could celebrate veterans by holding street parties to thank them for all that they have done. That is the least we can do.

We ask our servicemen and women to do a job that most of us have no idea about. We are not asking them to join Barclays bank, or Sainsbury's or Tesco's, to do a job of work from nine to five. We are asking them to make the ultimate sacrifice. It is therefore right that, on Sunday, and tomorrow during the two-minute silence, we stand together to thank them and celebrate them. Let us do that in the summer as well; let us put a smile on everyone's face for once. That is the least the Government can do.

4.23 pm

Bob Russell (Colchester) (LD): I am delighted to inform the House that this year's Remembrance Sunday "Songs of Praise" will come from the garrison town of Colchester. It will be broadcast on BBC1 at 5.25 pm on Sunday. Tomorrow, we will have the two-minute silence, and on Saturday there will be the festival of remembrance in the Royal Albert hall. There is also the field of poppies next to Westminster Abbey. On Sunday, in cities, towns, suburbs, villages and hamlets the length and breadth of the country, we will remember those who have fallen in the two world wars and in other conflicts over time.

This time last year, 16 Air Assault Brigade, which is based in the Colchester garrison, was in Helmand province on its fourth deployment to Afghanistan. I had the great honour to visit it at Camp Bastion in March this year. Along with many other Members, I was also able to welcome representatives of 16 Air Assault Brigade when they came to the Houses of Parliament on their return. There was a huge welcome home parade, as we would expect, in the centre of Colchester where many thousands of residents came out to say, "Thank you, and welcome home." There was then a most moving service of thanksgiving and commemoration at Bury

[Bob Russell]

St Edmunds cathedral. The most dramatic moment in this moving service was, for me, a song from a choir of Fijian men and women who serve in 16 Air Assault Brigade—evidence of how our armed forces have thousands of young people from the various countries of the Commonwealth serving with us.

I have already referred to family housing, and it is my hope that the Defence Committee, to which I have recently been appointed, will hold an inquiry into all aspects of service housing. At my advice bureau on Saturday, the wife of a serving soldier shortly to be deployed elsewhere told me how the state of her house, an Army house, is an utter disgrace, and that her infant child is crawling over mouldy carpets. On the education side, I am delighted as a Liberal Democrat to say that the pupil premium has been a real plus for the children of our military personnel who are serving our country.

This is a debate on military personnel. When we were in opposition, we complained to the Government of the day that our armed forces were overstretched and under-strength. Clearly, that situation has not altered. In fact, it is going to get worse. I asked the Library for comparative figures on the size of the Army and Navy in 1911 and 2011. I was informed that in 1911 the Royal Navy had 106,245 serving members, while today it is 35,430 and falling. The size of the Army in 1911 was 168,239, while today it is 101,300 and falling.

I am not necessarily a great fan of the *Daily Mail*, but on Thursday last week Steven Glover wrote an article with the headline, "I simply fail to understand how a Tory-led Government can't muster a single warship to protect this nation's shores". He said:

> "When you go to sleep at night you may imagine that somewhere out there in British waters there will be one or more warships flying the flag, and keeping an eye on possible dangers to our national security. Indeed, there usually is and has been for as long as anyone can remember. And yet since the beginning of October there hasn't been a single British frigate or destroyer fulfilling this task. The Royal Navy, once the mightiest in the world, could not muster even one vessel to protect our shores."

The article goes on at great length, but let me read out just one small further excerpt:

> "The truth is, that the Government has so reduced Britain's naval and military resources that we can no longer play the part of even a minor world power."

Let none of that detract from our pride in the professionalism of our serving members.

Mr Ellwood: I feel obliged to intervene because it really is misleading to use a bit of the *Daily Mail* to pursue an argument in that way. *[Interruption.]* If the hon. Gentleman used it, he clearly believed it and tried to make a point with it. What it shows, dare I say it, is a level of ignorance in his understanding of how the British Isles is defended. We have the Tyne-class sea patrol vessels, which do a fantastic job. There is also the point that if we were to surround Britain with warships, we would still not be able to cover much mileage. We cover our sea and air space with aeroplanes, which do a fantastic job. I hope the hon. Gentleman will consider that.

Bob Russell: I am obviously grateful for that informed observation. I am sure the hon. Gentleman will have ensured that that has been conveyed to the *Daily Mail* and Mr Glover in particular so that the record can be put straight.

All Members can take pride in the armed forces covenant. We should be thinking not just of current members of the armed forces, but of those who have served in the past and their families. In that context, I remind the Minister that the Equality for Veterans Association is calling for pensions for all who have served in the forces, and has presented a petition to No. 10 Downing street.

I also think that we should link armed forces day, for which the last Government can rightly claim credit, with the armed forces community covenant and with the need for an armed forces service medal, which I mentioned earlier.

Mark Lancaster: Does my hon. Friend agree that on 5 or 6 February next year—I forget the exact qualification date—some members of the armed forces will be potential recipients of no fewer than five different medals for non-operational service?

Bob Russell: I was not aware of that. All I am saying is that a campaign has been organised by people who are seeking recognition.

Let me say something about the work of the independent medical expert group and "The Review of the Armed Forces Compensation Scheme—One Year On", which refers specifically to the issue of noise-induced hearing loss. Earlier this afternoon, I had a brief meeting with representatives of the charity Action on Hearing Loss, formerly the Royal National Institute for the Deaf. They told me that the United Kingdom's compensation scheme involved a high threshold, and that in the United States personnel with a level of hearing loss half that required in the UK were entitled to compensation. I sincerely hope that that will be addressed in the Defence Committee's inquiry into the armed forces covenant.

I should like the Minister at some stage to make a statement to the House on the future of the Ministry of Defence police. The last Government slashed the size of the MOD force in Colchester from 30 officers to three. That has had a significant effect on the policing of the Army estate, because the burden has fallen on the Essex constabulary, who do not have 27 officers to pick up the slack.

As for anniversaries and special events, reference has been made to the need for us to prepare for a commemoration, in 2014, of the start of the great war. I hope that we can begin preparations for another commemoration the following year, that of the 200th anniversary of the battle of Waterloo. I am sure that—in a spirit of European unity—the French, who joined in our commemoration of the start of the great war, will also join us in commemorating the Waterloo anniversary in 2015.

We have all been shocked in recent weeks and months by the theft of war memorials listing wartime events and the names of those who have died. I cannot come to terms with how anyone could steal such a thing, but they would also have to sell it to someone, and there must be dealers out there who know full well that a memorial of that kind must come from a dodgy source. I think that Government and Opposition should come together to produce legislation preventing people from dealing in that sort of scrap metal, because metal dealers must know that a bronze plaque marked "1914" and listing names and ranks has been stolen.

The issue of the chief coroner has been discussed. It is my understanding that the MOD believes that there should be more specially trained coroners so that the military get a bespoke service by having multiple coroners. It is thought that that would be a better deal. I hope that we can work together on this issue.

I pay tribute to the Royal British Legion, on its 90th anniversary, for all it has done, and to all the other veterans groups for all they do. I also pay tribute to ABF The Soldiers' Charity—formerly the Army Benevolent Fund—the War Widows Association, the Soldiers, Sailors, Airmen and Families Association, Veterans Aid, Combat Stress and Help for Heroes. Without them, the lot of our current and past military personnel would be much poorer. Let me finally say that it is a special pleasure to represent a garrison town.

4.36 pm

Jim Shannon (Strangford) (DUP): I thank those Members who were responsible for securing this debate and, in particular, the Prime Minister.

It appears to me that more poppies have been worn this year than in previous years, and I find that heartening. That is certainly not down to "The X Factor" and the sparkly bright poppies that are worn by those who appear on television, but more young people are wearing poppies and it does my heart good to see that. Reference was made earlier to the Royal British Legion and there being, perhaps, an age barrier. It might have been the case that young people did not respond very much to past conflicts such as the first and second world wars and Aden, but the young people of today clearly do relate to the Royal British Legion. Those who are serving in Afghanistan and have served in Iraq recently are of their age group.

I can only imagine how good it must be for those who have family members serving, or those who have served themselves, to see younger and older people alike wearing the poppy with pride. That is a show of support for the services, and it signals that at this time of year the nation remembers those who have served their country and those who have made the ultimate sacrifice.

I recently had the privilege of attending a coffee morning in a local town hall to raise funds for the Soldiers, Sailors, Airmen and Families Association. That event is held annually and it is a practical expression of support for the troops. By holding it, the people of Ards and Strangford have contributed more than £10,000. Everyone who entered the hall and donated, and had their coffee or tea and sticky bun—they were all home-made, I understand—did so for the same reason: to show support and express thanks to the troops. The window of the local wool shop in Newtownards carries an advertisement telling people that the store will contribute free wool to knit hats for our serving troops, and that it will send them out to them, too. Hundreds have already been knitted and sent out. In all our local shopping centres there are dedicated Royal British Legion personnel standing at poppy stalls. I see that the vast majority of people in the town are supportive of our troops, and I now have an opportunity to speak for them in Parliament.

The latest figures show that Army recruitment is up across the board in Northern Ireland. That is noteworthy. In these times of economic uncertainty, people are having to look outside their normal comfort zone to find work, and it appears that the Army is filling a gap. There has been a rise in recruitment everywhere but particularly in what would have been nationalist areas. That speaks volumes about how members of the younger generation see themselves today.

When Newtownards celebrated the homecoming of the Irish Guards recently, one soldier remarked that the troops had been told that they could not parade through the streets of Belfast. They were bemused by that as many would have been returning to their home town. I was told that religion was not an issue between the troops, and I knew that would be the case anyway. When people put on the British uniform and serve in the British Army, they are our brothers—or sisters—full stop.

As these soldiers marched, there was a real buzz about the town, with thousands of people lining the streets to say thanks and to cheer on those who are out there fighting for Queen and country. For many of those involved it was a homecoming as they come from Ards. The Ards and the Strangford area has the largest Irish Guards association in the whole of Northern Ireland and, indeed, the United Kingdom. One's heart could not fail to be touched by the mothers who were crying and smiling at the same time. It is not impossible to do that, as I very clearly witnessed. Among the familiar faces that we all saw, I also met some young men who had been injured on the battlefields in Afghanistan. Despite Northern Ireland having a population of only 1.8 million, 20% of all serving personnel—soldiers and those in the Air Force or the Royal Navy—hail from my own beautiful Northern Ireland. We have every right to be proud.

The service at St Mark's before the parade was poignant and touching, as we sat with the soldiers and heard them pray for each other. They also prayed for the Afghans that they had met. The hon. Member for Merthyr Tydfil and Rhymney (Mr Havard) mentioned the special qualities of the British soldier and they are just that. The British soldier does his job in uniform and he very clearly does his job afterwards as well.

Mr Havard: In January I had the privilege of meeting members of the 1st Battalion Royal Irish Regiment in Nad Ali, where I witnessed them starting the new initiative of local policing. The reason they could do that was because of the very qualities that the hon. Gentleman talks about. They could speak to the local people about their agricultural development in a way that they could relate to, and they were doing fantastic work in terms of not only security, but of building consent for a new Afghanistan.

Jim Shannon: I thank the hon. Gentleman for that contribution. He gave me his card and he said, "You can speak in English or in Welsh." As an Ulster Scot, I choose English. I was not sure about the other bit, because I would probably have got it wrong.

The number of people lining the street from St Mark's through the town was incredible, and the streets were glowing with pride as crisp Union flags flew from every shop and every house, and were in the hands of many of

[Jim Shannon]

the people who were there. There was a sense of pride and honour, which permeated through gender, age and religious barriers. All were united when they considered our troops and what they had done, and thanked them for it. That raises the question that we have the opportunity to speak about today: how can this House be more supportive?

As we come to Remembrance Sunday, we have a timely reminder of the sacrifices that allow us to stand in this Chamber and debate any topic—we are here because of what has happened before. My childhood favourite, Winston Churchill, stood in this House debating the merits of war and the need for war in eloquent fashion on numerous occasions, as the history books show. I do not do that today; today, I stand for our troops and say, "Recruit them, train them, equip them, feed them, speak with them, help them and support them." For me, and I believe for everyone in this House, "We will remember them" is not a phrase but a promise.

We have had the opportunity to go to Afghanistan on a number of occasions through the armed forces parliamentary scheme, of which the hon. Member for Merthyr Tydfil and Rhymney is a member, as indeed are other Members here today. The hon. Member for Colchester (Bob Russell), the Secretary of State for Scotland and Lord Maginnis were part of the group that went out there in March. Our troops need help on the battlefield, and we were much impressed by Camp Bastion and the medical facilities that were available. People there say, "If you ever get injured, make sure it is in Afghanistan and close to Camp Bastion, because you would not get the same medical help if you were involved in a traffic accident back home." That is what we were seeing. On that occasion, two helicopters arrived—this was not planned, it was just the way things happened—with some American casualties and we witnessed at first hand the injured being taken into the medical centre and saw clearly the good work that is being done. I commend the staff for that.

The shadow Minister said that wherever we go in the world there will always be a soldier from Merthyr Tydfil. Wherever we go in the world there will always be a soldier from Strangford too. I say that because when I was in Afghanistan I had the opportunity to meet a young lady in the military police whose father I had helped with a planning application and whose mother I had helped with other issues. I also met a sergeant-major in the Irish Guards, who was from outside my constituency but whose uncle and aunt were personal friends of mine. I also had a seat at the Royal Irish barbecue there—for the record, it was a dry barbecue in Afghanistan, as there is no drink there. It was the first time that I can recall being with an Irish regiment at a barbecue where it was all water and lemonade. I sat across the table from a young guy who said, "Jim, it's nice to see you here. I voted for you." A guy in Afghanistan is able to tell me that he voted for me. I said, "That's the reason I'm your MP—because you voted for me." The service personnel asked me as a parliamentarian, and I believe they have asked every Member of Parliament, to be their spokesperson in the House, and I want to speak for them.

I also had the chance to be on a five-day exercise with the 1st Mercian Regiment in Catterick in north Yorkshire, which gave me the opportunity to speak to the troops and hear what they wanted. They are looking for security of their pensions and for continuity of service. They want the uncertainty of where they are posted to be sorted out quickly. They are looking for their housing issues to be resolved, for confirmation of their jobs and training, and for contact with their family. The Minister spoke earlier about wi-fi and the phone system. We witnessed that clearly in Afghanistan. The voice down the phone was their wife, their mum, their dad or their family and friends, and we noticed how important that was for the troops. We also witnessed the fact that they need a great deal of support.

The troops mentioned an issue which I hope the Minister will address in his closing remarks. They told us that they get 14 days leave, and sometimes on their way home they may find that they have to spend two days sitting in Cyprus, for example. That is two days lost out of their 14 days.

Mr Robathan: We have now ensured that if service personnel lose some of their 14 days' rest and recuperation on their journey because of problems with the air bridge, the weather or whatever the reason may be, those days are added to their leave at the end of their tour. That gives people extra leave without disrupting the operation.

Jim Shannon: I thank the Minister for that positive response, which will take care of some of the concerns that were expressed to us when we were in Afghanistan and by other soldiers.

I commend the Minister and the MOD for the work they do for those who are injured, who experience life-changing events, who are emotionally or mentally traumatised, or who have to come to terms with the loss of limbs. I met two such soldiers with the 1st Mercians some time ago, and I have to say that the work done within the MOD was tremendous. The improvement was clearly visible, and the work continues afterwards. One may see the physical changes resulting from the injuries that have taken place, but one does not always see what is happening inside. That is what concerns me.

In conclusion, we send our service people out and ask them to do and to see things that most of us here would not have the stomach or the understanding to see or do. What do we need to give them in return? I believe the unanimous voice from the House will be that we need to give them support. We must support them, and I appreciate the motion being brought before the House. We need to do more than consider our armed forces personnel, as the motion says, but I believe it goes further than that. A commitment has been given, and I believe everyone will support the motion, as I certainly will.

4.48 pm

Sheryll Murray (South East Cornwall) (Con): Armed forces personnel issues are very close to my heart. My daughter serves as a Royal Navy officer and I grew up in my constituency with the knowledge of the importance of HMS Raleigh. I have heard first hand the concerns of Royal Navy personnel throughout that time, but I have recently learned of issues that concern me and I hope my right hon. Friend the Minister will be able to provide me with some answers today.

One area where civilians frequently come into contact with our armed forces personnel is search and rescue. According to a Library paper of 22 February this year on the search and rescue service, the RAF has 16 Sea King mark 3 or 3A helicopters in service, with 272 personnel currently employed in roles directly related to search and rescue activities, and that the Royal Navy Fleet Air Arm has nine Sea King mark 5 helicopters, with 81 similarly employed personnel. That means that the average number of service personnel for every search and rescue helicopter is 17 for the RAF, but nine—almost half—for the Royal Navy. Will my right hon. Friend the Minister explain this difference between the two services?

The figures seem to suggest that some services are already more efficient than others and, therefore, that there is less fat to cut. A parliamentary written answer on armed forces deployment confirmed:

> "Each service operates different harmony guidelines. Royal Navy personnel should not exceed 660 days deployed in 36 months, the Army 415 days in 30 months, and the RAF 280 days detached in 24 months." —[*Official Report*, 14 December 2009; Vol. 502, c. 820W.]

Those figures equate to a diverse average deployment length across the three services. The separated service figures show that the term "overstretched" means three different things to the three services. Coupled with the reputed average deployment length, the Army deploys for around six months at a time, the RAF rarely deploys for longer than three months and the Royal Navy deploys for around six to nine months. This suggests that the deployment burden on certain sections of the three services is higher than others.

As a result of the differences in separated service, the frequency of deployment also varies between services. A Royal Navy warfare or engineering rating, or a warfare officer, can expect to deploy repeatedly year on year. I know of one warfare officer—not my daughter—who has deployed for seven to eight months in each year from 2008 to 2011. This deployment burden should be taken into account when demanding redundancies, as any squeeze that increases the burden further could have consequences for manning those key positions.

Finally, I want to address the redundancies. Royal Navy personnel were informed of the outcome of the redundancy selection boards on 30 September this year, almost a month after the RAF and Army announcements on 1 September, placing all Royal Navy personnel at a disadvantage. It meant that they were the last to register in the career transition partnership, which will be working at maximum capacity anyway to manage the surge in service personnel taking redundancy. I understand that the delay allowed financial resources to be drawn from two financial years.

The disadvantage was confirmed in a letter I received from my constituent, Mr Spencer. He wrote to me about the recently announced redundancy tranche implemented by the Royal Navy. His stepson is a serving Logistician Steward and has been given 12 months' notice of redundancy. He was informed at the end of September and it is now proving extremely hard to place him on any meaningful course to prepare for civilian life. Most college apprenticeships and other vocational courses start at the beginning of the autumn term, in September, and he is finding that the best training courses are fully subscribed until the end of the summer term 2012. Mr Spencer feels that little thought appears to have been given to this by the MOD, and I believe that it has done Royal Navy personnel a major injustice by badly timing the date on which individuals were informed. His stepson also approached the local armed forces careers office in Plymouth to inquire about entering the RAF as a regiment gunner or the Royal Navy to pursue a career as a Royal Marine. Both branches are recruiting new entrants, but he was told that he will not be able to apply to join either service for 18 months from the date on which he was informed of his redundancy.

Mr Spencer feels that that rule is rather narrow-minded, and the armed forces careers office was unable to give him the reasons for it. He points out that his stepson is fully trained in weapons handling and first aid, has the other basic military skills that one would expect of him and presents a low training risk. More importantly, he loves life in the forces, and, although he accepts the reasons for his redundancy, he considers it ridiculous that he is not able to apply for other branches of the armed forces when they are actively recruiting. Perhaps the Minister, when he sums up, will provide me with some answers to those questions.

4.55 pm

Derek Twigg (Halton) (Lab): I should like to put on the record my admiration for our armed forces and, of course, for the service of our veterans. We have the best armed forces in the world, and with Remembrance weekend coming up, when I shall attend two parades, in Runcorn and in Widnes, I put on record my appreciation of the Royal British Legion, and its work not just to raise millions upon millions of pounds through the poppy appeal, but to support throughout the year, every day, our armed forces, their families and veterans. Halton British Legion, in particular, does an excellent job locally through its support for service personnel, their families and veterans.

There are many organisations, however, that do not receive the same recognition as the Royal British Legion and Help for Heroes, but organisations such as the Soldiers, Sailors, Airmen and Families Association, the British Limbless Ex Service Men's Association and Combat Stress are very important. The regimental associations also do a tremendous amount of work to support serving personnel, their families and veterans—particularly at this difficult time.

I work closely and have a close association with the Irish Guards, which do a great job of supporting families, service personnel and veterans, and I shall attend their service on Saturday evening. I have a close association, too, with the South Atlantic Medal Association 1982, which represents those who fought in the Falklands and also does an excellent job.

On Sunday morning, I shall be at a parade in Widnes, standing opposite the war memorial where I will be able to see the name of my great uncle, who died in 1917 from his wounds. My grandfather also fought in that conflict, and he was awarded the military medal for his outstanding bravery as a stretcher bearer and was, himself, wounded.

I make that point, because I was most honoured to be made the Parliamentary Under-Secretary of State for Defence and also veterans Minister. One thing that drove me to do my very best in that job was the fact that

[Derek Twigg]

my grandfather, like many of his comrades, died in poverty and was buried in a pauper's grave. That was a common experience, and he did not get the support that he should have received, or that he was promised by people such as Lloyd George.

Today, with the support that is available through the MOD, the Veterans Agency and the many service charities and voluntary organisations, I do not believe that anyone should be in that position. They can and should get help, but we know that people slip through the net, and it is important that we do as much as possible to—I hate this word—signpost or make available information not only for our serving personnel and their families but for our veterans, so that they can get help and support when they need it. There is lots of it out there now.

The previous Government did a lot to improve services for veterans, and for our armed forces personnel in terms of medical support, treatment and rehabilitation. Not enough was done, but some improvement was made to housing, and that was crucial. As a Minister I saw some of the housing, and I was quite appalled by it, so more needed to be done.

On mental health, the previous Government also took up a number of initiatives, and they were important in dealing with the issue, which had not been dealt with properly before, so I was very pleased that that work took place. Many good things happened, but we must always look to make improvements, so it is important that we continue to press the Government to make those improvements.

I would like to make a point about the National Memorial Arboretum. I am pleased that the Minister has confirmed that there will be no cuts to its funding. It is a tremendous memorial to the sacrifices of our armed forces' personnel and anyone who has not been there should make sure that they go because it is truly stunning. Just a few weeks ago, I was there with veterans of the Greek campaign in the second world war. They have not received the recognition they deserve for that campaign. In Crete, we nearly inflicted the first proper defeat on the Germans—it was a very close run thing.

What concerns me is that a lot of negative things are being said about the Greeks as a result of the current economic crisis. We should not forget that the Greeks defeated a larger, better equipped Italian army and suffered as much as anyone under Nazi rule. In Crete, it was a Greek regiment that allowed many of our Commonwealth soldiers, sailors and airmen to get away and be evacuated. We should remember the sacrifices and help of the Greeks in the second world war. They fought with us in 1941, and it is important we give due recognition to that.

I am aware we have limited time, so I shall just make a couple more quick points. I do not support the Government's cuts; I am against them. We need armed forces that can be deployed anywhere in the world in our national interest for whatever reason. That will not happen under the Government's current strategy and with the cuts that are taking place. We should have strong armed forces across the piece—Navy, Air Force and Army—and there should be support for them.

I also do not agree with the policy of giving a date for when we pull out of Afghanistan. I cannot recall an historical equivalent when we have said to the enemy in the middle of a battle, "We're telling you when we're leaving the battlefield." However, that is what has happened. We must recognise the bravery and sacrifice of our armed forces, and the improvements they have brought about in Afghanistan. We should not be leaving Afghanistan until we are absolutely sure we have done the job properly. We should support the Afghan people and not leave them, possibly in the future clutches of the Taliban should they return. I am opposed to the cuts that are being made by the Government and supportive of ensuring that we have strong armed forces.

In conclusion, as I said, I am privileged and honoured to have been a Minister in the MOD and to have seen first hand on visits to Iraq, Afghanistan and elsewhere the amazing work our armed forces do. They deserve to be supported by all parliamentarians, and I will continue to do all I can while I am a Member of Parliament to do so.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. The winding-up speeches will begin at half-past 5 and we have four Members who wish to speak. I call Tobias Ellwood.

5.2 pm

Mr Tobias Ellwood (Bournemouth East) (Con): It is an honour to participate in this debate. I begin as others have done by declaring an interest as a member of the Territorial Army and by paying tribute to the brave and dedicated professional troops we send into harm's way. It is appropriate to have this debate the day before Remembrance day. I wish the best to my old regiment, 5th Battalion The Rifles, which is now deployed in Afghanistan on Operation Herrick 15. It is commanded by Colonel Tom Copinger-Symes and is now based in Nar-e Saraj as part of 20th Armoured Brigade led by Brigadier Patrick Sanders.

I congratulate the ministerial team on the work it has completed in just over 15 months. My goodness, what a situation it inherited: the finances were in a state and there was an absence of Whitehall leadership and interest in the MOD, and a lack of clarity in strategy. We have heard today the usual sounds from Labour. They have complained about the contents of the strategic defence and security review but, of course, they did not have one for more than a decade. Earlier today they quibbled about the detail of the armed forces covenant, but they failed to provide any form of legislation in 13 years in office. They talk about the morale of the armed forces, yet they led us into two very complicated campaigns in Iraq and Afghanistan without a coherent post-conflict plan.

What has changed? First, the SDSR has provided clarity and strategy. The costly procurement overruns are now under control, thanks to the new major projects review board. The long overdue restructuring of all three services has now taken place, and today we have had the first announcement on the troops returning from Germany. Our defence export programme has expanded. Very importantly, the injustice done to the pilots killed in the Mull of Kintyre tragedy and their families has been reversed.

Specifically for armed forces personnel, we have doubled the operational allowance, we have provided more than £60 million for upgrading accommodation, council tax relief has been increased by 50%, and—this is very important and welcome to the armed forces—university and further education scholarships have been created to assist the children of service personnel killed on active duty. I think that Main Building is starting to look, feel and operate like a modern, professional and effective organisation, and I am grateful to the ministerial team for achieving that.

Let me turn to Afghanistan. The hon. Member for Halton (Derek Twigg) served diligently as a Minister in the Department, and my comments are not directed at him because I know that he was very passionate about the armed forces and continues to be so. He raised concerns about cutting costs while we are still involved in a campaign and said that we should be doing the job properly. I would suggest that we did not send our troops into that campaign properly, and that we are now testing the nation with the length of time that we have been engaged in it—more than a decade. Although we can be proud of what is being achieved in Helmand, we do not work in isolation and it has taken us a long time to get Helmand right. A series of brigadiers were going out there, one after another, redefining and reinventing the wheel of what they should be doing.

Derek Twigg *indicated assent.*

Mr Ellwood: I see the hon. Gentleman nodding. That is not the way that we should be using our armed forces personnel—sending them into danger. There was a lack of clarity in that mission, as well as mission creep, and there was no strategy.

I visit Afghanistan and Helmand province regularly, as do other hon. Members, and I have got the message that there was almost a conspiracy of optimism—telling us what we wanted to hear. I am afraid that that comes down to the level of interest, direction and clarity from Whitehall. It is all very well for our armed forces to do an incredible job in creating an umbrella of security, but we have to be concerned about what happens underneath it.

There are two aspects to counter-insurgency: working on economic development and reconstruction and on governance. Neither of those things happened while our service personnel were in Helmand, and in that vacuum they have had to do that job themselves. Our platoon commanders have been going into villages and townships, setting up jirgas with the elders and trying to get local and district governance working. That is way beyond what a platoon commander is instructed or taught how to do at Sandhurst.

It has taken a long time for the Department for International Development to recognise its role in providing support for governance and reconstruction and development—getting roads built so that the locals can use them and we win over hearts and minds. I am pleased to say that the culture in DFID has changed completely. That is not only because of what happened in the latter years of the previous Government but because of the leadership of the new Secretary of State for International Development.

If we are to task our service personnel with going into these places, there must be a coherent plan—a strategy. We must bear in mind what we do with our armed forces these days. It is not simply about kinetic war fighting. When there is a foot and mouth outbreak here in the UK, it is the Army we lean on. When the fire brigade goes on strike, it is those personnel who drive the Green Goddesses or the fire engines. If there is an earthquake in Haiti, that is not about war fighting—it is very much about support and humanitarian work—but it is the military we lean on. The skill sets that our service personnel now require are quite varied, and we must bear that in mind.

I have three observations to make about that. First, the versatility that we now expect from our armed forces is quite staggering and very different from years gone by. Secondly, given that we must now conduct operations that are not limited to the armed forces alone, we need to think about more interoperability with other agencies and Government Departments. Thirdly, we must focus a little more on strategy—on educating our officers and soldiers about these aspects.

General Charles Krulak wrote about the "three block war", in which soldiers in an operation move from war fighting to peacekeeping and then to nation building. Nation building requires an understanding of how the United Nations, non-governmental organisations and the Department for International Development operate. Those are skill sets that we need to expand on. At the moment, we are just touching on those areas and there is work to be done.

On interoperability, I believe that winning the war fighting is only half the battle. We should remember President Bush standing on the USS Abraham Lincoln on 1 May 2003 and saying, "Mission accomplished," in reference to Iraq. How many years later did we actually get some peace there? We need to think about post-conflict operations and planning. We need to arm our service personnel with the skill sets they need to achieve that and to work with other organisations.

My final point is about improving strategy. We used to be very good at that. I ask the Minister, how can we hang on to knowledge after a conflict? How can we keep an open mind in dealing with the latest conflict and not use the strategy, tactics and doctrine from the last conflict, which might be out of date? How can we better prepare for the next conflict, wherever that might be? There are various ways in which we could do that. I would like to see an improvement in the role of the defence attaché. At the moment, they are like the major character in "Fawlty Towers". They get sent to various embassies as passed-over senior officers to see out the end of their careers, but the role of the defence attaché is pivotal in establishing upstream relationships, as my hon. Friend the Member for Milton Keynes North (Mark Lancaster) mentioned. Those skill sets are worth developing.

How can we select our brightest and best, which is not necessarily the same as the most academic, to develop those strategy skills sets? How can we nurture the next Alan Brooke, Ismay, Parker, Guthrie or Richards? These are things that we need to get good at. We used to be good at them and we can excel at them again and offer those skills within NATO. It is not just about reading Clausewitz and Sun Tzu, which all military personnel do as they grow up. It is no coincidence that the word for general in Greek is strategos. Strategy is something that we need to work at.

I will end where I began in my first intervention: on the damage that there has been to war memorials. I pay tribute to those who have served and who continue to

[Mr Ellwood]

serve in our armed forces. I hope that those thugs who choose to rob the very memorials around which we will gather tomorrow realise what an insult they mete out to those, past and present, who have given so much to our country.

5.12 pm

Christopher Pincher (Tamworth) (Con): Bearing in mind your advice, Mr Deputy Speaker, I shall tailor my remarks and speed of delivery accordingly.

It is always a great pleasure to follow my hon. Friend the Member for Bournemouth East (Mr Ellwood). It is also a great challenge to follow such eloquent Members as my hon. Friend the Member for South West Wiltshire (Dr Murrison) and the ever-eloquent hon. Member for Islwyn (Chris Evans), who is not in his place. He is truly the heir to Aneurin Bevan—at least I am sure that is what his memoirs will say.

First, may I put on the record my admiration for the work of my local battalion? The Staffords, the 3rd Battalion the Mercian Regiment, have just returned from Afghanistan after a 10-month tour of duty. They will be proudly marching through Tamworth on 29 November and I, for one, will be there to welcome them, to honour them and to remember Private Gareth Bellingham, who unfortunately lost his life during the tour.

Because I appreciate that time is brief, I will simply focus on the message that I heard from my hon. Friend the Member for Poole (Mr Syms) and the hon. Members for Colchester (Bob Russell) and for Bridgend (Mrs Moon) about service housing. There is an old joke that soldiers like to grumble, but it is no joke that on the very day when the Government took office, 36% of those living in services accommodation said that they felt it to be inadequate. The biggest complaint that I hear from serving soldiers in my surgery and from friends and relatives who are serving is about services accommodation. I hope that when the Minister examines the Strachan report, and when we debate it, he will consider closely the recommendations about housing.

I was very pleased and honoured to serve on the Select Committee on the Armed Forces Bill, and then on the Public Bill Committee. I believe that enshrining the military covenant in law is a huge leap forward, but I would like the Minister to focus on housing. I do not want to repeat and reheat what others have already said, but I wish him to consider three things in particular.

First, will the Minister consider enhanced accommodation allowances for our service personnel? Secondly, will he consider developing the shared equity scheme that the previous Government piloted? Thirdly—this one will cost him nothing—will he encourage the Chancellor of the Exchequer to sit down with banks and encourage them to offer forces-friendly and flexible mortgages, to help our servicemen and women? They need a stable, fixed address and the opportunity to put their feet on the property ladder. If they can do that, it will help us to reduce the £285 million a year bill on the 50,000 units of service family accommodation, which often needs to be upgraded. These people have put their lives on the line for us abroad. The very least we can do is offer them the opportunity of having a good home at home.

5.16 pm

John Glen (Salisbury) (Con): I begin by acknowledging, as many others have, the welcome and historic breakthrough of enshrining the armed forces covenant in law. However, as the Prime Minister himself has said, the challenge is to make the Government live up to the obligations in it in reality. It is critical that we bring the aspirations that we all have for the covenant together with the realities that we are faced with in trying to deliver it.

The awful reality is that members of the armed forces and their families may have to face death or injury while they are serving. If the worst happens, it is extremely important to ensure that the right processes are in place and to make certain that the wishes of those who have been killed or wounded are carried out. I wish to focus my few remarks on that.

All armed forces personnel are advised in pre-deployment briefings to make a will. A form, MOD 106, is provided for the purpose. Unfortunately, no advice is given on making the will, nor is there any compulsion to do so. Little information is given to those serving on the risk of mental incapacity following a tour of duty, or on the fact that if there are such complications, the management of financial affairs will not be sufficiently dealt with by a will. In reality, members of the armed forces would need to have a legal power of attorney document to be used in those circumstances, but it must be registered before the mental incapacity happens to make it valid for use when an injury occurs.

Many complicating factors conspire to mean that in many cases, our service personnel may not be properly legally protected in such situations. First, there is a cultural battle. Many young men and women who want to serve are less likely to make a will, because they feel invincible before a tour of duty after undergoing sustained training, or sometimes because they do not want to tempt fate. Secondly, a will speaks only from death. Many personnel are under the misconception that a will covers all eventualities, including mental injury, but it will not. That means that there is a real need to deal with the legal power of attorney option properly.

The consequence of not having a legal power of attorney document can be far-reaching and cause enormous problems for those left behind. I have been made aware of the case of a young man who tragically lost his life. He had made a will, but did not have legal power of attorney in place in the right way, which caused some difficulties. The will was also out of date, which meant that the benefits did not go the people he intended them to. Similarly, another person was in the middle of an acrimonious divorce, and his will did not work as he wished. The outcome was that it did not accurately reflect his updated wishes, which caused major complications for his family.

As we know, more people who serve in the armed forces are surviving terrible injuries that they would not have survived 10 years ago. Some are unable to manage their affairs when they have recovered from physical injuries, which means that someone must do so on their behalf. An LPA would solve a lot of problems in such cases. It is true that an LPA pack can be downloaded from the Office of the Public Guardian, but it costs £130 to register the LPA when all the forms are completed. That will seem like a lot of money to service personnel, many of whom are young people who might believe that nothing will happen to them—an LPA is probably the last thing they want to spend their money on. Defence instructions mention that document, but I am given to understand that they lack detail and contain errors.

If no LPA is in place, a deputyship must be applied for on behalf of the injured service person, which can be extremely expensive, as can the ongoing maintenance costs of a professional deputyship. I am aware of one case of a deputyship costing about £60,000 per annum to service. Solicitors who manage compensation claims will choose to instruct a professional deputy when a lay deputy is perfectly viable, which drives up the costs that take away from compensation schemes—they will have to borne by the MOD.

I see this as a specific covenant issue: if we are prepared to send young people off to fight and possibly die or be gravely injured for their country, and if we invest so heavily in the correct equipment and training for them while they are on operations, we must also have a duty of care to ensure that their affairs are in the order that they would wish them to be in if they are injured or killed. We have concentrated on equally important matters until now, but this issue needs to be looked at again in more detail as part of the pastoral care package that is offered to service personnel.

I am not seeking to embarrass the MOD or the Minister—this is a constructive suggestion on which I have worked with hon. Members on both sides of the House—but the Mental Capacity Act 2005 made this issue real, which is why it needs further examination. What should be done? I would like all those on deployment, and ideally all service personnel, to have an up-to-date will and LPA in place. It would be best to have a will pre-enrolment, but personnel should certainly have one pre-deployment.

I have also had meetings with a group who have a proposal for an organisation called the services trust—I met the group earlier this week. They would like to assist the MOD and serving personnel with information on some of the gaps to which I have drawn the House's attention. The group could also help with processing LPAs and could act as deputies if necessary.

It would be useful to train admin officers to give relevant information on the consequences of not writing a will or of having no LPA. In fact, the Office of the Public Guardian held a consultation on what groups of people should be exempted from the £130 LPA fee, but it did not include the MOD. That unnecessary oversight needs to be corrected.

It should be feasible to spread the cost of an LPA over a number of months and to take it from the wage packets of personnel at source. That is done for a variety of costs, and it would be a simple matter to add it to the joint personnel administration system. Payments could even be taken out with payments for the armed forces insurance scheme.

To return to where I began, the Government have made a commitment to the welfare of the armed forces by enshrining the covenant in law. It is essential that that commitment is extended to ensure that not only their financial and operational needs are met, but their legal needs. I respectfully ask the Minister to give an indication of whether he is prepared to meet me and other hon. Members, and representatives behind the services trust proposal, to establish what can be done to address that proven need in our armed forces.

Mr Deputy Speaker (Mr Nigel Evans): I remind the next speaker that she must resume her seat by half-past 5.

5.24 pm

Penny Mordaunt (Portsmouth North) (Con): I declare an interest as a Royal Navy reservist, and I would add, for the benefit of my hon. Friend the Member for Beckenham (Bob Stewart), who is no longer in his seat, that I am a reservist who has to run 1.5 miles in a particular time each week and who, if she does not have an in-date fitness or swim test, is no longer trained, let alone deployed.

I wish to make a few brief points. The first concerns redundancies, particularly Royal Navy redundancies. As the picture becomes clearer, anomalies are emerging, as my hon. Friend the Member for South East Cornwall (Sheryll Murray) alluded to. I am concerned about certain ships' companies that have been particularly hard hit. I understand that as many as 10% of one ship's company might be made redundant.

I am also concerned about badly hit families. For instance, one person in a couple, both of whom are serving, has volunteered for redundancy and the other has been made redundant. Both will lose their job and, because they are in service accommodation, their home as well. I have been reassured about how the redundancies are being managed, but I would like the Minister to reassure us that, as those things crop up, they will be dealt with.

The second point concerns the military covenant and local government representation. I urge the Minister to work with his colleagues in local government to ensure that, when they consult on local matters, such as planning, traffic-calming measures and so on, they take into account our servicemen and women, who might not be able to go to public meetings and vote on those things. Some straightforward things can be done to ensure that they are properly consulted and included in their community life.

The third point concerns the deployment of reservists. I want to stress to the Minister that, like the regulars, reservists join to be deployed. That is why we join; that is why we train. I urge him to ensure that our reservists get sea time and flying time. It is why they do the job.

I want to make a general point about the need in the House to broaden, as well as deepen, our understanding of the armed forces. I was proud to co-host, with the shadow Secretary of State, the House's first-ever Trafalgar night a few weeks ago. One of our colleagues, who kindly came along to the event and was keen to help and learn more, approached a Royal Marine and, bravely, asked him what the hell the Army was doing at that event and what it had done at Trafalgar. That incident shows that someone is keen to learn more about our armed forces, but it also shows that there remains much ignorance in the House about what the armed forces do, who they are, the different colour uniforms and so on. I encourage all Members with an interest in defence to ensure that we learn more about our armed forces.

We have heard this afternoon that we have too many admirals and that the admiral-to-ship ratio is not as it should be, but I would really like an admiral to be looking after our nuclear deterrent. My hon. Friend the Member for Colchester (Bob Russell) referred to the fleet-ready escort, and my hon. Friend the Member for Bournemouth East (Mr Ellwood) mentioned other ways

[Penny Mordaunt]

in which we protect the UK. I can reassure them that the fleet-ready escort has, is and, I am sure, always will be a standing commitment of the Royal Navy.

Finally, I want to put on the record my thanks to all the armed forces personnel who live and work in Portsmouth. I am optimistic about the future. I smiled when my hon. Friend the Member for Bournemouth East caricatured our defence attachés, but I am sure that our latest appointment as defence attaché to the United States has nothing in common with Basil Fawlty.

5.29 pm

Mr Russell Brown (Dumfries and Galloway) (Lab): Once again, we have had a good debate. Like others, I want to begin by expressing my condolences to the family and friends of the soldier from 4th Battalion the Yorkshire Regiment who was killed in Afghanistan and the family and friends of Flight Lieutenant Sean Cunningham, who was so tragically killed in an accident.

Like others, I want to pay a personal tribute to the men and women of our armed forces and to their families, who are an integral part of what they do. As has been said, this day—the day before Armistice day—and the days before Remembrance Sunday could not be a more appropriate time to have this debate. I am sure that all of us in the Chamber today will take the time tomorrow to observe the two-minute silence and remember all who have paid the ultimate sacrifice while serving our country, in the many foreign lands where they served, to enable us all to experience the freedoms that are taken so much for granted.

Over the years this Chamber has witnessed many defence debates, in which strong views have been expressed in all parts of the House. However, the one aspect of those debates on which there has been general consensus is the paying of tribute to all who serve our country. That said, it was only natural that we would witness some dividing lines today, especially when so many right hon. and hon. Members have referred to the reductions in the future numbers serving in our armed forces, and when many other elements arising from the debate on the strategic defence and security review have been raised.

In mentioning Remembrance Sunday, I also want to put it on record that the correct decision was reached in allowing the many holders of the Pingat Jasa Malaysia medal to wear it proudly at the many services being held across the country on Sunday.

Let me turn to the many fine contributions that were made from both sides of the House. I want first to highlight the speech by the Chair of the Defence Committee, the right hon. Member for North East Hampshire (Mr Arbuthnot), who started by talking about turmoil in the Ministry of Defence, redundancies and changes to allowances. He clearly laid out the role of his Committee—a good Select Committee, one that, frankly, does the business. He encouraged us to think about the debate about wearing a poppy. He said that he lays a wreath—let me tell him that he is worthy of laying a wreath—on behalf of his constituents. We all wear our poppies, as a public acknowledgement of that debt, respect and thanks. We wear them with pride in our country and for those who have given their lives.

My hon. Friend the Member for Merthyr Tydfil and Rhymney (Mr Havard) surprised me somewhat when he talked about canvassing in Kabul. I am sure that Members in all parts of the House would ask themselves, "Does this man have no boundaries at all? Is there no line that he wouldn't cross?" He talked about the array of skills that people pick up, as he said, by default. It was interesting to hear about the concept that the Americans train warriors, whereas we train soldiers. We know that those we train and whom we put on the front line have additional work to do beyond that. There is a peacekeeping element that we train our military for. My hon. Friend is right, and what I think he wanted to do today was make a plea for more time to debate defence issues. When we look back at the number of debates we have had and what is happening with defence in this country, we see that we need more debates.

There has been a rich variety of contributions today. Let me turn to the speech of the hon. Member for Canterbury (Mr Brazier)—who, with perfect timing, has just appeared, as if by magic. I congratulate him on the part he has played in studying the whole issue of the reserves. He has what I would describe as limitless knowledge of the reservists, as he indicated when comparing them with reserve forces from other nations and how they prepare and perform. He has done a tremendous job. He was also critical of dysfunctional systems, and rightly so.

Another member of the Select Committee, my hon. Friend the Member for Bridgend (Mrs Moon), also contributed to the debate. It was interesting to hear that she spent Remembrance Sunday last year in Poland, and saw the commemoration of many aspects of the Polish resistance. We should never neglect our constituents or the work that we have to do in our constituencies, especially on Armistice day, but we should, if we can, take the opportunity to see how people from other nations view their history and those who have made the ultimate sacrifice. I was among several Members here tonight who gave up some time the other evening to listen to the RAF presentation team talk about Operation Ellamy, and it was interesting to hear the recognition of the support for and from our NATO allies.

My hon. Friend also mentioned the problems of short notice to deploy, and of families feeling isolated when they are left behind. Help is really important in those circumstances. I do not come from a military family, but I know from talking to my constituents and from contacts in my area that, when people are left alone, perhaps with children, it is more than family help that is required. We must be able to give families further support.

My hon. Friend also expressed disquiet—I will put it no more strongly than that—at the treatment of the Royal British Legion in the light of its struggle over the covenant. At the end of the day, however, I think that we, as a Parliament, got there, and that is what matters more than anything else.

The "forces' pensioner", the hon. Member for South West Wiltshire (Dr Murrison), was right to say that the covenant must be applied right across the country, and that there must be no differential between one location and another. It must be there for all. I saw him last week in Westminster tube station collecting for the poppy appeal. All credit to him and others who did likewise. When I left London last Thursday morning for Swindon, I saw a Guardsman doing the same on Paddington station. When I returned some eight hours later, he was still there. He was in uniform, and he was attracting people to make a significant financial contribution. It is through such sterling work that people show their support for the poppy appeal.

Mr Robathan: People collecting at tube stations is a new addition, and the hon. Gentleman might be interested to learn that the London poppy appeal has already raised more than £430,000. I think that that is the correct figure.

Mr Brown: If that is the case, we should congratulate all those who have made the effort to reach that sum.

The hon. Member for South West Wiltshire also mentioned 2014. We often commemorate wars coming to an end, but he is right to suggest that we should commemorate and reflect on the outbreak of the great war. I fully support his proposal. I must, however, share with the House a certain anxiety, because 2014 is also the 700th anniversary of the battle of Bannockburn, and I suspect that some people—not necessarily from my party, but from others—might wish to celebrate that as well.

My hon. and gallant Friend the Member for Barnsley Central (Dan Jarvis) made a poignant speech in which he clearly impressed on all of us the significance of this weekend. That was not lost on anyone. The hon. and gallant Member for Beckenham (Bob Stewart) has had to leave for another engagement but he said that it was important to get manning levels right. We are expected to do just as much as before, but with less, so the manning levels have got to be right. He shared with us his concerns about the reservist figures.

My hon. Friend the Member for Clwyd South (Susan Elan Jones) referred to her concern about the chief coroner's office and the issue of homelessness and resettlement, which a number of Members have raised.

The hon. Member for Milton Keynes North (Mark Lancaster) spoke about the covenant, housing and health care. As to the strategic defence and security review, he made it clear that when it came to redundancies there should not be a cut in the resettlement package.

My hon. Friend the Member for Bethnal Green and Bow (Rushanara Ali) referred to the tragedy in her constituency during the second world war. As others emphasised, she too highlighted the need to protect and preserve memorials and I say to the hon. Member for Colchester (Bob Russell) that legislation that might be relevant is already in place—though I stand to be corrected—regarding the handling of stolen goods. The question is how honest those in a position to receive something are going to be about reporting the matter. My hon. Friend the Member for Bethnal Green and Bow also mentioned the chief coroner's office and said, basically, "Think again."

The hon. Member for Poole (Mr Syms) mentioned the Special Boat Service, his support for the covenant and the importance of overall assistance for families. He also referred to social housing and housing waiting lists. Let me share with the House the fact that one of my registered social landlords has, thankfully within the last two or three weeks, agreed that when people know they are about to leave the forces, he will treat them as having been in tied accommodation and make a serious attempt to house people before they leave the military. That, I think, is the first registered social landlord in the whole of Scotland who is doing this. I hope that good practice like that can be shared with others. People who have served in the military should not find themselves homeless on leaving it.

My hon. Friend the Member for Walthamstow (Stella Creasy), whose partner is currently serving, talked about the vulnerability of individuals. This was a speech I would have expected from her because of her deep concern about the debt problems that people can face. There are issues there: with the Royal British Legion ending support for people with debt problems, more needs to be done.

I am conscious of the time and want to hear the Minister speak. Let me quickly say that there were good contributions from the hon. Member for Plymouth, Sutton and Devonport (Oliver Colvile), who spoke about mental health issues and combat stress, while my hon. Friend the Member for Islwyn (Chris Evans) made loud and clear a plea for the veterans who were victims of nuclear tests.

Incidentally, the Minister pointed out that my hon. Friend the Member for North Durham (Mr Jones) was responsible for the weather when he was the Minister, but I have also been assured that he was the Minister for UFOs—but we will not go into that.

The hon. Member for Colchester mentioned military accommodation, as we would expect, and the hon. Member for Strangford (Jim Shannon) paid tribute to the Royal British Legion and local support for military personnel. The hon. Member for South East Cornwall (Sheryll Murray) raised her concerns about search and rescue and the important matter of the length and frequency of deployment. My hon. Friend the Member for Halton (Derek Twigg) spoke about regimental associations and service charities, and the need for ongoing support for veterans on all fronts.

The hon. Member for Bournemouth East (Mr Ellwood) was the first to speak about the inheritance with which his Government was left and he also spoke about the strategic defence and security review. Only time will tell how strategic it is, but let us hope that there will be no serious consequences.

The hon. Member for Tamworth (Christopher Pincher) spoke about service housing, which, as he said, is a vitally important subject. I thank the hon. Member for Salisbury (John Glen) for allowing me to attend the meeting on the services trust the other day. I sincerely hope that the Minister will take all that on board. The hon. Member for Portsmouth North (Penny Mordaunt) made important points about redundancies, and about those who should qualify for the diamond jubilee medal.

I must end my speech there, although there are other issues that I should have liked to raise. We have heard some excellent contributions that gave us plenty of food for thought, and I look forward to the Minister's response.

5.45 pm

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): Let me add my condolences to those that have been expressed in relation to all our service personnel who have been killed in Afghanistan. It would have been strange if we had not all shed a tear

[Mr Andrew Robathan]

at some stage for those who have come back from that country in coffins. Let me also mention, in particular, the Red Arrows pilot who was killed in a tragic accident earlier this week.

This is a fitting day for our debate, and, just in case anyone thought that the timing was a coincidence, let me make it clear that it was not. Over the next few days, ceremonies will take place and wreaths will be laid throughout the nation to commemorate local sacrifices and local heroes. I am sure that every Member in the Chamber will be taking part in them. In Afghanistan, services will be held to remember not only the many who have given their lives in past, but friends and colleagues whose memory is very fresh and very real.

Several Members, including my hon. Friend the Member for Colchester (Bob Russell), mentioned the appalling desecration of war memorials. One can hardly believe that it takes place, and it reflects very sadly on those responsible. I have my own views on what punishment they should receive, but all I ask is that an exemplary punishment be imposed when some of them are caught, for reasons that we all understand. That is not Government policy; it is only my own opinion.

I am sure the whole House agrees that the nation's true feelings towards the armed forces, particularly the fallen, have been demonstrated spontaneously over the last few years by the people of Royal Wootton Bassett, and, now, outside Brize Norton. It is about honouring the debt to the fallen.

I believe that 25 Members spoke in the debate. I shall respond to some of them as quickly as I can, and I hope the House will forgive me if I do not take interventions.

I agree with the hon. Member for North Durham (Mr Jones) about a great many things, but I thought that the tone of his speech was churlish, if I may quote my hon. Friend the Member for Colchester. The record will show that it was depressingly partisan and carping, and self-congratulatory at the same time.

The hon. Gentleman mentioned pensions and the change from RPI to CPI. I declare an interest: I am in receipt of a military pension. The hon. Gentleman knows that public sector pensions must be sustainable. The public sector pension time bomb has featured in the newspapers and other media for well over a decade, and it is incumbent on Governments to make difficult decisions. The previous Government ignored the time bomb, but this Government are dealing with it. In Greece and elsewhere in the eurozone, untrammelled Government spending and debt are leading to huge problems. It is no good the hon. Gentleman's shaking his head; I am afraid that that is what is happening.

Many Members raised the issue of the chief coroner, and I understand why people become concerned about it. It is incredibly important for coroners to be properly trained, and we are taking steps to ensure that they are. We are looking at ways in which we can improve the position still further. That is, of course, the responsibility of the Ministry of Justice. The question is, do we want box-ticking or do we want results? The answer is that we want results.

In my view, the campaign on this issue has been somewhat depressingly overstated. According to a document that I have here, recent ComRes polls clearly support the case for a chief coroner. Sixty-six per cent. of people questioned

> "believe that a Chief Coroner is needed to ensure that coroners treat bereaved Armed Forces families sensitively."

The poll was taken in September, before it really got going, and I suggest that 95% of people on the streets of our constituencies had never heard of the issue before that. What is important is the results of inquests and the good treatment of people at them, and we will get that right.

The hon. Gentleman told us a mere seven times that he had been a Minister, yet he took no responsibility for the dreadful state of affairs that we inherited in the MOD. There was a £38 billion black hole. *[Interruption.]* There most certainly was. Much as he may carp about the painful decisions taken in the strategic defence and security review, he must also answer for his responsibility as a member of the previous Government.

My right hon. Friend the Member for North East Hampshire (Mr Arbuthnot), the Chairman of the Select Committee, brought us back to a more balanced view of life. He made a very sensible and thoughtful contribution, and I especially agree with him about wearing poppies.

The hon. Member for Merthyr Tydfil and Rhymney (Mr Havard) also made a thoughtful speech, in which he rightly emphasised the legal and moral complexities of armed forces' international work, as well as the practical issues of support and equipment. I thank him for that.

I thank my hon. Friend the Member for Canterbury (Mr Brazier) for his work on Future Reserves 2020, and I agree with him about young Territorial Army officers. I am looking into the security issues involving 7 Rifles officers, but I understand the people concerned had left several years earlier. We should be pragmatic and sensible on this issue, however. Since I first entered the House a depressingly long time ago, my hon. Friend has been a consistent champion of the reserves.

The hon. Member for Bridgend (Mrs Moon) reminded us of the whole nation's role and responsibilities in respect of the defence of the nation. She also reminded us of the excellent performance in Libya of the RAF, the Navy and, indeed, some soldiers. I thank my hon. and gallant Friend the Member for South West Wiltshire (Dr Murrison) for his excellent work on prosthetics and mental health, and I look forward to hearing more from him about world war one, and to working with him on plans for world war one commemorations.

The hon. and gallant Member for Barnsley Central (Dan Jarvis) is no longer present, but he drew our attention to remembrance and to our responsibility in this place to the armed forces, and especially to bereaved families. I agree with him on that.

My hon. and gallant Friend the Member for Beckenham (Bob Stewart) is also not present. He said there were 15 three-star generals, and I may not at the time have responded accurately; I said there were not that many, but I may have given the wrong number. There are, in fact, eight three-star generals in the Army at present. He made a valuable point about the fitness of reservists—and I know he will be leading by example on that.

The hon. Member for Clwyd South (Susan Elan Jones) paid tribute to James Eastwood and his parents, and I agree. Everyone who serves in Afghanistan deserves proper treatment, although I am not sure that a chief coroner would improve the service received by bereaved families. We are certainly concerned about anybody who is homeless, including ex-service personnel. It was said that 25% of homeless people are ex-service personnel. I think that would have been an exaggeration even 10 or 15 years ago. The proportion now is approximately 3% or 4%.

My hon. and gallant Friend the Member for Milton Keynes North (Mark Lancaster) made an important point about fragile states and concerns about Ministry of Defence and Department for International Development involvement. I will look into the issue of the 217 Field Squadron (EOD) reserve, and I will be happy to speak to him about it.

The hon. Member for Bethnal Green and Bow (Rushanara Ali) reminded us of the sacrifice east enders made in the second world war, and we agree entirely about vandalism to war memorials.

My hon. Friend the Member for Poole (Mr Syms) mentioned the constant need to maintain, refurbish and upgrade housing. All of us who own houses know about that, so I agree, but that is particularly difficult and the previous Government found it difficult and worked hard on it as well.

I am glad to see that the hon. Member for Walthamstow (Stella Creasy) has taken a break from tweeting or twittering—or whatever the Prime Minister called it. She raised an important point about debt. I had not heard of QuickQuid and the targeting of service personnel, but we are not complacent and I have asked questions about this already. This specific point has never been raised with me, however, and I will look into it further. She was talking in particular about those who have left the services being targeted. All personnel get financial planning as part of their phase 1 training. That will include advice on not taking on a loan at ridiculous interest rates—I agree with her about that. Furthermore, we put particular emphasis on resettlement training, including for those early service leavers. I have never heard of payday loans, but I will look into the matter.

My hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile), who is a champion for his constituency and for the Royal Marines, concentrated on mental health issues, raising very real problems. I walk on eggshells when discussing mental health issues, because the subject is very difficult, but we and the armed forces are very concerned about it. Again, I refer him to the "Fighting Fit" report produced by my hon. Friend the Member for South West Wiltshire and to the work we do with Combat Stress.

I was interested to hear from the hon. Member for Islwyn (Chris Evans) about the standard in St Mary's church in Risca, because I believe that the reredos behind the altar is in fact a memorial to my great grandfather, but I will check it out. He referred to some lawyers as "bloodsuckers"—his term, not mine. All I would say is that those who served in the 1950s, when of course there was national service, deserve our respect. They were doing their duty when they were at the nuclear tests. We do study these things and, in fact, if someone was in the forces, including in that cohort who witnessed the nuclear tests, they are less likely to be dead by now—their mortality rate is lower—than those who were civilians at the time. So we need always to work on the basis of facts rather than emotion on this. Those people who have suffered or think that they have suffered as a result of their service watching the nuclear tests have been given war pensions, because the balance of probability means that it is very much on the Ministry of Defence to prove that we were not responsible.

My hon. Friend the Member for Colchester stood up for the armed forces, as always, and I would like to thank him for his great contributions to the debates on the armed forces and on the Armed Forces Bill. I say to him that mouldy carpets are absolutely not acceptable and I thought he was a very brave Liberal Democrat to quote from the *Daily Mail*.

The hon. Member for Strangford (Jim Shannon) said that people in Northern Ireland have every right to be proud of their contribution to the UK's armed forces, and I agree entirely. I was discussing that contribution only yesterday with Edwin Poots, the Health Minister in the Northern Ireland Executive, and we also talked about the Camp Bastion medical facilities, to which the hon. Gentleman referred. I look forward to hearing his next contribution in Welsh.

I will need to come back to my hon. Friend the Member for South East Cornwall (Sheryll Murray) on search and rescue, but she did ask an interesting question about manning discrepancies between RAF and Royal Navy helicopters. I am told that they are not that large, but we can see. I have been to the Naval Families Federation in Portsmouth, and she is absolutely right to say that the harmony arrangements in the Royal Navy are extremely difficult. I am sorry about the redundancy announcements. They are actually chosen not by Ministers, but by the armed forces and single services. However, she made a very good point about timings. All redundancies are painful, and that is certainly the case when they are compulsory.

The hon. Member for Halton (Derek Twigg), to whom I pay tribute for his work as veterans Minister, was right about the situation in 1919. We have moved on, for a number of reasons, but I am old enough to remember the stories about ex-servicemen with one leg selling matchsticks on the corner. We have gone a long way beyond that, and rightly so, but we must go further still. He referred to the bravery and sacrifice of our armed forces in Afghanistan and the need for success there, and I am entirely with him on that.

I wish to thank my hon. Friend the Member for Bournemouth East (Mr Ellwood) for his work as a Parliamentary Private Secretary in the MOD and I am delighted to see that he has a new job in the Foreign and Commonwealth Office. *[Interruption.]* He has got another job, so the hon. Member for North Durham should not worry. My hon. Friend made my speech for me on both our policies and the early failings of the Afghanistan campaign.

I wish to thank my hon. Friend the Member for Tamworth (Christopher Pincher) for his work on the Armed Forces Bill. I agree with him about the serious housing issues, on which we will continue our work. We have a group, involving the Housing Minister, that discusses the difficulties that service personnel face in buying houses.

My hon. Friend the Member for Salisbury (John Glen) raised the important issue of wills. I recently met a young lady who made some sensible suggestions on this subject. Her fiancé was killed in Afghanistan and

[Mr Andrew Robathan]

she has had the most terrible time. We are looking at this, but we cannot compel people to make wills. We are including a software check-box that people must tick if they have not completed a will. I will certainly talk to my hon. Friend further about this issue; I am very happy to meet him to discuss it.

My hon. Friend the Member for Portsmouth North (Penny Mordaunt) talked about naval redundancies, which are painful. Community covenants, which we introduced, allow local government organisations to take proper note of service families. I agree that reservists want to deploy and about the need for education. That is why I commend the armed forces parliamentary scheme for the work it has done for so many people.

Our soldiers, sailors and airmen are good people and they deserve our respect. We have had to take some very difficult decisions in the light of the dreadful state of the defence programme that we inherited. That is a matter of regret, but I am proud of what we have achieved in the past 18 months. Tomorrow—

6 pm

Motion lapsed (Standing Order No. 9(3)).

Alison Seabeck (Plymouth, Moor View) (Lab): On a point of order, Mr Deputy Speaker. The Government statement today on Project Avanti, which is about Army restructuring, is very interesting, and is made all the more so because it appeared in an American defence magazine on 7 November. It is important that we understand why the American defence community knew about the statement in quite a lot of detail, including naming names, three days before the House did. Will the Secretary of State for Defence, when he is available, come to the House to give an explanation or, at the very least, instigate an investigation within the Department into how that happened?

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): Further to that point of order, Mr Deputy Speaker. I was not aware of that. I will most certainly ensure that it is looked into very closely and I will let the hon. Lady know.

Mr Deputy Speaker (Mr Nigel Evans): I hope that has clarified the point of order. The Speaker has let it be known on several occasions that when Government announcements are made, they should be made to the House first.

PETITION

Dartford Crossing

6.1 pm

Jackie Doyle-Price (Thurrock) (Con): I am pleased to present a petition on the subject of the Dartford crossing on behalf of my constituents in Thurrock. The petition has been prompted by the Government's announcement that they intend to increase tolls at the Dartford crossing and to make proposals for an additional crossing in the lower Thames, the three options under consideration all passing through the constituency of Thurrock. Some 2,000 signatures have been collected on this petition and similar ones run by the *Thurrock Gazette* and by the community forums in Bulphan, Orsett and Chadwell St Mary.

The petition reads:

The Petition of residents of Thurrock and others,

Declares that the Petitioners are opposed to any increase in the tolls charged for the Dartford Crossing and any option for a new Thames crossing in the south Thames area, which the Petitioners believe would involve the building of new roads in Thurrock and increased congestion on Thurrock's already crowded road network.

The Petitioners therefore request that the House of Commons urges the Department for Transport to reduce tolls on the Dartford Crossing and to reconsider proposals for a new Thames crossing in the lower Thames area.

And the Petitioners remain, etc.

[P000981]

Woodhaven Hospital

Motion made, and Question proposed, That this House do now adjourn.—*(James Duddridge.)*

6.2 pm

Dr Julian Lewis (New Forest East) (Con): I am particularly pleased to see the Minister on the Front Bench tonight. I know of his care and compassion on the topic of mental health.

Woodhaven hospital is a state-of-the-art mental health unit set in a therapeutic, semi-rural but easily accessible location in my constituency. Its acute Winsor ward has, unusually, en suite facilities for all 24 in-patients and other top-of-the-range features. It was a proud and happy moment for me when I cut the ribbon to open the new hospital just eight short years ago. Now, to the immense distress of service users and their carers, Woodhaven is threatened with closure.

Currently, 165 acute in-patient mental health beds are available to the Southern Health NHS Foundation Trust. They are in six units throughout Hampshire, as follows: 50 beds at Antelope House in Southampton, 25 each for men and for women; 20 beds at Elmleigh in East Hampshire, 10 each for men and for women; 24 beds at The Meadows in Fareham, 10 each for men and for women and four more, known as flexible beds, which can be used for either; 23 beds at Melbury Lodge in Winchester, 13 for men and 10 for women; 24 beds at Parklands in Basingstoke, seven for men and 16 for women, plus one flexible bed; and finally, the 24 beds at Woodhaven in my New Forest East constituency, 10 each for men and for women, plus four flexible beds.

The foundation trust proposes to close Woodhaven, which is virtually brand new, and The Meadows, which is also quite modern. That would reduce the total available beds in the region from 165 to 117. However, of the 50 beds at Antelope House that have been available for acute cases up to the present, 10 are to be allocated to long-term, challenging in-patients, effectively reducing the total number of acute in-patient beds that will be available in future to only 107. The foundation trust has suggested that some of the future occupants of the 10 beds might come from other acute beds out of the 165 total, but it seems much more likely that the 10 beds at Antelope House will be allocated to residents from Abbotts Lodge, a different kind of unit that is not included in the 165-bed total and will be shut. For that reason, the real reduction in available acute in-patient beds will be from 165 to only 107.

Those 107 acute beds will contain two distinct categories of in-patient: those who are voluntary and those who have been detained. On what I believe to have been a typical day in mid-October, and on a similar day this month, when 153 beds were in use across the whole trust area, no fewer than 88 were occupied by in-patients detained under the Mental Health Act. That constitutes 53%—just over half—of the existing 165 available acute beds. With only 107 beds available in future, that 53% figure will rise to approximately 82%. Conversely, the proportion for voluntary in-patients who are acutely mentally ill will fall from about 47% to just 18%. In practice, there will be only about 19 beds left for the whole of the trust area in Hampshire for acutely mentally ill people who voluntarily go into hospital.

That will have a huge and negative effect on patient choice. There will be little chance of choosing or obtaining an acute in-patient bed, as four fifths of them will be occupied by people who have had to be detained because they will not voluntarily agree to admission. Indeed, someone who desperately wants an in-patient bed would be well advised to create sufficient mayhem in order to be sectioned, if they are to have a reasonable chance of gaining admission. Once admitted, the voluntary in-patients will find that the effect of the greatly increased preponderance of detained in-patients in each of the four remaining units in Hampshire will be to make their wards significantly less therapeutic. Should the trust be thinking of such a huge reduction in bed totals at all?

I should say at this point that there is no fundamental philosophical disagreement between me and the representatives of the district and county councils on the one hand, and the management of the trust on the other. The trust's spokesmen consistently agree that some acute in-patient beds will always be needed. For our part, my colleagues and I have no doubt of the value of strong community, assertive outreach, crisis resolution and early intervention services at home.

The key question that must be resolved—I hope that it will be resolved as a result of this debate—is simply what is the correct number of acute in-patient beds in Hampshire. Naturally, the trust maintains that by investing in extra services at home some people will be prevented from deteriorating to the point where they need to occupy acute in-patient beds, but I believe that stripping out more than one third of the existing beds, as the trust proposes, cannot possibly be justified.

Of course, the trust ought to make efficiency savings. It states that closing two out of six acute in-patient units in the area will save £4.4 million, £1.5 million of which is intended to be invested in what was previously described as a "virtual ward" but is now more sensibly described as a "hospital-at-home" service. The remaining £2.9 million is, of course, an easy way to make a significant annual saving, but it is not an efficient way, especially when one considers that, according to an Audit Commission survey, Hampshire already has the highest number of staff per 1,000 of the population in community mental health teams out of 46 trusts examined. Cutting front-line services and making efficiency savings are two very different things.

Twenty-six acute beds per 100,000 people is the current average among the 46 mental health trusts surveyed. The Southern Health NHS Foundation Trust has 28 beds per 100,000 and expects that figure to go down to 21 if the two units, including Woodhaven hospital, are closed. I believe that the actual total would be just under 20 beds per 100,000 people. At the moment, with 28 beds, we are in the top 19 of the 46 trusts. Whether we go down to 21 acute beds per 100,000 or to just 20, we shall be in the bottom six, and that is an immense gamble to take with the welfare of people who, almost by definition, are at risk of losing their lives.

Every day, the trust files a record of how many beds were vacant out of the total of 165, and at my request it has provided a print-out for the past three months. This shows, beyond any doubt, that bed occupancy levels are consistently high. Let us remember that we are considering 165 beds, spread over almost all of Hampshire and serving hundreds of thousands of people. The trust's tables give a breakdown of the numbers of male and

[Dr Julian Lewis]

female beds vacant each day, and the numbers of so-called "leave" beds temporarily empty. Leave beds are those that have already been allocated to in-patients, but that are not being used for short periods, because their occupants are spending typically one, two or three nights at home. Even when leave beds are counted together with genuinely vacant beds, the total number of empty beds throughout the area is low—often, indeed, in single figures. Thus, from 21 September to 6 October this year, the overall daily totals were respectively nine, seven, five, five, seven, three, three, three, four, 11, nine, nine, eight, nine, seven and six empty beds out of 165. When one excludes the leave beds, however, as one should because they have not been genuinely vacated, one is left with numerous instances of 100% acute bed occupancy for the whole region. For example, there were no vacant male beds at all on 2, 7, 10, 11, 17, 18, 20 to 24 and 26 September; in the same month, there were no vacant female beds on 7, 10, 11, 16 to 18, 20, 23, 24, and 26 to 29; and on September 3, 4 and 25, gender information not being available for those three dates, there was either only one male and no female acute beds available, or only one female and no male beds available in the entire trust area in Hampshire.

Of course, one can debate how much use can safely and regularly be made of at least some of the leave beds that are temporarily vacant.

Mr Charles Walker (Broxbourne) (Con): My hon. Friend will know from previous debates that one can have occupancy rates above 100% because sometimes, in emergencies, leave beds are drafted into use.

Dr Lewis: I am extremely grateful to my hon. Friend for making that important point, as I am for him being here to support me tonight. I know of his great interest in the subject.

Using the trust's own figures, I have calculated the average acute in-patient bed occupancy over the three months from August to October. Even if all the leave beds are counted as available, which they are not, bed occupancy was 91.9%, and the figure would be higher if weekends were excluded, given the number of people who go home for short periods at those times. When only the genuinely vacant beds are considered, the average occupancy rate is seen to have been a remarkable 96.7%.

One of the most extraordinary assertions in the consultation document on the proposed changes is to be found on page 11, where it declares:

> "The time that people are spending in our…hospitals is longer than the national average (our average length of stay is 51 days (including leave) compared to below 30 days (excluding leave) in other Trusts)."

That is an extraordinary manipulation of the data, as it contrasts the total of days spent on and off the wards in our trust area with the total of days spent only on the wards in other trust areas. A glimpse of the true situation is again to be found in the tables drawn up by the Audit Commission. In referring to all mental health admissions in the Hampshire PCT area, which is not quite the same as the foundation trust area but is a reasonable general guide, the Audit Commission states:

> "Hampshire PCT is below the national average"

for length of stay. I do not know whether the trust's blatant and gross failure to compare like with like was deliberate, but the public, their local representatives and Ministers are surely entitled to ask what the average length of stay excluding leave is in Hampshire's acute beds, and what the average length of stay including leave is in the acute beds of other trusts, so that real rather than bogus comparisons can be made.

Time prevents a more detailed dissection of other dubious claims made by the trust. Its spokesmen refer to the acutely mentally ill suffering "disempowerment" as a result of spending what is usually a relatively short time on an in-patient ward. Most frequently, it insists that

> "people have consistently told us they want to be at home".

Such claims fly in the face of what we hear from service users and especially from carers, who want the assurance that an acute bed will be available when it is needed. I have yet to discover what, if any, systematic survey was undertaken to arrive at that conclusion. Who carried it out? How many people were surveyed? What questions were asked? The trust says that its soundings showed a desire for:

> "Care within a community setting where possible, and avoiding going into hospital unless it is necessary."

Well amen to that; we can all sign up to that, but that is a very different proposition from wishing to see a more than one-third cut in available beds that have an average occupancy rate of between at least 91.9% and 96.7%.

Only five out of the 46 trusts listed by the Audit Commission have 20 beds or fewer per 100,000 of the population. Southern Health NHS Foundation Trust wishes us to follow that example. Its consultation says that that small minority of trusts

> "deliver good or excellent standards of care",

and it recently identified four of those five trusts in a presentation to me and others. Although the overall ratings for those four trusts are, indeed, good or excellent, the picture is different where in-patient services are concerned: none of the four is rated as excellent, two are rated as good, a third is rated only as fair, and the fourth is rated as weak.

At meetings with the trust, I and my colleague, County Councillor Keith Mans—a former and distinguished Member of this House—have stressed the need for the new hospital-at-home model to be piloted before any of the six in-patient units is closed. If this exercise is really about "Improving Outcomes for Hampshire's Adult Mental Health Services"—as the consultation document is entitled—rather than about saving £2.9 million a year, then acute in-patient beds should not be discarded until pilot projects clearly show significant reductions in the current very high levels of acute bed occupancy.

We need a step-by-step approach that clearly rules out the present plan to remove not just one but two modern mental health units, including Woodhaven hospital, right at the start. It is distinctly probable that the overview and scrutiny committee of Hampshire county council may decide to refer this matter to the Secretary of State. This evening, I look to the Minister for two assurances.

First, I want an assurance that Woodhaven hospital, which is so valued by our community, will not be closed until objective and independent surveys have been carried out assessing whether there really are dozens of people in beds for the acutely ill in Hampshire who do not need to be there. Secondly, I want an assurance that Woodhaven will remain open until a pilot scheme has demonstrated that the proposed hospital-at-home scheme is starting to reduce the current high levels of acute bed occupancy. It cannot be right that in-patient beds should be cut to 107 for the whole trust area in Hampshire, so that we are left with a woefully inadequate total of about 19 for voluntary in-patients once all those detained under the Mental Health Act have been accommodated. People's lives are at stake.

6.20 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate my hon. Friend the Member for New Forest East (Dr Lewis) on securing the debate and on being, as ever, so thorough and detailed in his exposition of the case that he puts before the House. I take this opportunity to pay tribute to the hard work of the staff who work within the NHS in his constituency.

I want to set out the current position, as I understand it from the briefings that I have had over the past few days, and to respond to several of my hon. Friend's specific points. I assure him that under the proposals for adult mental health redesign set out by Southern Health NHS Foundation Trust, Woodhaven hospital will not close but will change the nature of what is provided. I want to make it clear that there is a continuing NHS future for the facility, albeit not the one that he believes to be appropriate.

While the trust recommends that the acute adult mental health ward is withdrawn from Woodhaven, the excellent hospital which my hon. Friend opened eight years ago and which the community should rightly be proud of will continue to offer specialist adult mental health services. The aim of these changes is to provide the right mix of community and bed-based care—this debate centres on what that balance is—and ultimately the best possible support for people in his constituency who use these services.

My hon. Friend will be aware that during the 18-month engagement with the public that took place prior to the statutory consultation, the majority of patients consulted said—this is one of the areas that he challenges—that they wanted to be treated in the community. As a general principle in any field of health care, the more we can focus on prevention and on supporting people in their homes so that they retain their independence and stay connected with their communities, the better the outcomes we can achieve. The principles behind the trust's proposed redesign can therefore be pinned squarely to the views of local people, and this is where I want to reassure my hon. Friend a little further. I understand that, through the consultation, the trust has been told this on repeated occasions. I have a quote from one service user:

> "I was unfortunate enough to need the services of the home treatment team over Christmas 2008 and New Year 2009, but due to the care I received from the team I didn't need to be admitted to hospital and I was able to stay at home with my husband and son."

Clearly, my hon. Friend disputes the evidence that the trust is putting forward about whether patients want to be treated at home, but it is for this reason that it is recommending the integrated model for mental health services in Hampshire and the reinvestment of savings from acute services into community services. However, I will ensure that he is supplied with further evidence on these points so that he can satisfy himself and his constituents that the trust is basing its decisions on reasonable evidence.

Additional community services will ensure that patients receive flexible and bespoke care packages in their home wherever possible, even when acutely unwell. The intention of the proposals will mean that people are admitted to hospital only if it is clear that hospital is the best place for them to receive their treatment. The trust tells me that treatment and care for patients will be provided in the most appropriate and therapeutic environment for the patient and that acute beds should be available for those who need them. However, when local trusts propose changes to existing services, the public should be closely consulted. Again, my hon. Friend obviously feels that that is not what has happened. In the case of Southern Health NHS Foundation Trust, service user involvement projects and carers' groups from across the county have worked closely with the trust to develop the proposals for the redesign.

I want to deal with a couple of the specific statistical points that my hon. Friend set out so clearly. He has demonstrated something that does not always happen in these debates, in that someone has done a lot of detailed research to try to nail the issue that he is most concerned about. First, I want to deal with the proportion of people detained versus those in voluntary admission. He referred to two days' worth of data that he had collected and his conclusion that 53% of people were detained in those circumstances. However, I understand that over the past six months, on average, 22% of people admitted to the trust's adult acute beds have been detained under the Mental Health Act. I have asked the trust to write to my hon. Friend with those figures so that he can see more data.

Dr Julian Lewis: The trust did fax me some figures of that sort. However, they did not make sense because when they were added up, the total was way below the number of beds that had been occupied. I honestly think that the trust is wrong on these proportions.

Paul Burstow: That is why I think it is right for the trust, having read this debate, to follow it up by writing to my hon. Friend. I know that he has been engaging with it face-to-face as well, and I am sure that he will continue to do so.

My hon. Friend made a point about the trust anticipating the effectiveness of the whole clinical pathway and about the focus on the most unwell reducing the number of people admitted under the Mental Health Act, in addition to reducing voluntary admissions.

My hon. Friend mentioned the issue of whether one counts leave beds. It is common for people who have been detained in hospital to have a period of leave from the ward before they are discharged. That can vary from a few days to several months. The beds for leave patients are not kept empty, but are made available for other acute admissions, as my hon. Friend the Member for Broxbourne (Mr Walker) said. It is therefore important to count leave beds when considering capacity. My hon. Friend the Member for New Forest East set out clearly his concern about bed occupancy and the impact of leave beds. I will make sure that the trust considers this

[Paul Burstow]

issue carefully as it draws together the feedback from the consultation before its forthcoming discussion with the Hampshire overview and scrutiny committee. I will ensure that his concerns about length of stay, which he set out so clearly, are put to it.

My hon. Friend made a request for a pilot. Although I will not go quite as far as he would like tonight, it might help if I provide him with some information about the process that the trust has put in place to evaluate and assess the proposed changes. I understand that it has invited the Centre for Mental Health to do an independent review of the proposals, which is expected to be complete within a month. The trust's research and development department is also completing a thorough evaluation of proposals, comparing a range of quality measures at baseline and after implementation.

On the next steps, the trust has been in discussions with the Hampshire health overview and scrutiny committee, and it has been agreed that the trust will hold a number of stakeholder meetings. It is expected that the trust will return to the health overview and scrutiny committee at the end of this month and present a written report that describes the themes from the consultation feedback and the progress that has been made in those meetings. The trust will then make suggestions on the next steps, which it will agree with the health overview and scrutiny committee, with a view to reaching final decisions in early 2012. As I understand it, any changes will be implemented by the trust in a phased, transitional approach over a period of time, not as a big bang.

The trust will, of course, keep my hon. Friend fully informed. I know that he has been diligent in pursuing the trust with his concerns. I encourage him to carry on that dialogue. I again congratulate him on securing this debate and for clearly articulating his concerns on behalf of his constituents. I hope that I have been able to articulate some of the points that the trust has put to me and I look forward to a conclusion of this matter in the new year.

Question put and agreed to.

6.28 pm

House adjourned.

House of Commons

Monday 14 November 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

Death of a Member

Mr Speaker: I regret to have to inform the House of the death of Alan Keen, Member for Feltham and Heston. For a number of years, Alan was the chairman of the all-party group on football, and before entering this House in 1992 he was for 18 years a scout for Middlesbrough football club. I am sure that Members from all parts of the House will join me in mourning the loss of a colleague and in extending our sympathy to his wife, Ann, and to his family and friends.

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Chief Coroner

1. **Jessica Morden** (Newport East) (Lab): What recent discussions he has had with ministerial colleagues on the creation of a post of chief coroner to oversee the inquest system in relation to deaths of armed forces personnel. [80068]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): With your permission, Mr Speaker, I should like to pay tribute to the late Private Matthew Thornton, who was killed in Afghanistan last Wednesday, from 4th Battalion The Yorkshire Regiment. He was a brave young man, serving his country, and I am sure that the whole House will wish to send its condolences and sympathy to his family.

My right hon. Friend the Secretary of State has had no recent discussions with ministerial colleagues on the creation of a chief coroner's post. The post is entirely a matter for the Ministry of Justice, although we have of course provided it with every assistance regarding the impact of the issue on military bereaved families, and we have engaged with the Ministry of Justice and with the Cabinet Office on the matter.

Jessica Morden: I should like to associate myself with the Minister's opening remarks and with yours, Mr Speaker. The Royal British Legion thanked hon. Members from all parties for their cross-party support when the post of chief coroner was agreed just two years ago. Does the Minister agree that the issue should unite, not divide, this House, and that appointing a chief coroner in line with the revised proposals from the Royal British Legion and Inquest would send a wonderful message to service families at this particularly special time?

Mr Robathan: I am afraid that I do not entirely agree. The important thing is the results that bereaved families receive at inquests, with which there have been problems in the past, and that is why the Ministry of Defence is, for instance, laying on specific events and continuing familiarisation with military inquests for coroners. We are also ensuring that they are properly trained with regard to bereaved families. People seem to have become hung up on the office of a chief coroner, but it is a Ministry of Justice matter, as I have said. What is important is that bereaved families receive an excellent service from coroners, and we are working very hard to ensure that that happens.

Dr Andrew Murrison (South West Wiltshire) (Con): To what extent does my right hon. Friend believe that the undoubted success in years gone by of the Wiltshire coroner, David Masters, and the Oxfordshire coroner, Andrew Walker, in improving the welfare and safety of troops has been down to their independence and to the fact that they have not had a potentially bureaucratic official standing over them?

Mr Robathan: My hon. and gallant Friend makes a very interesting point, and again the issue is that we do not have a bureaucratic official standing over coroners. Inquests in the past, as the Opposition know, were not always as sympathetic towards military families as they might have been, and indeed they were not particularly good with the bereaved, so we are allowing the Lord Chief Justice to set mandatory training requirements for coroners and their officers, including training in respect of military inquests, and we think that that is the right way forward.

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): Last month I asked the former Secretary of State whether he had reviewed the Royal British Legion's proposals to deliver a reformed coronial system at significantly lower cost than the Government estimate. He did not answer the question. May I once again give the Minister, under the direction of a new Secretary of State, the opportunity to put on the record his views about scrapping the office of chief coroner? Will the Minister support the Royal British Legion's campaign?

Mr Robathan: I think that I am still a member of the Royal British Legion; I certainly have been, and I think that I paid my subscription this year.

I am a great supporter of the Legion. It is a fantastic organisation with fantastic people, but that does not mean that it is right about everything, and on this campaign it has rather overstated its case. It said in its briefing, which I have with me, that when asked in the street two thirds of people thought that a chief coroner was essential, but I ask all Members, "How many of their constituents do they think have heard of the chief coroner?" The answer is not two thirds of the population, I can promise you that much.

Libya (Aircraft Carrier Capability)

2. **Mary Macleod** (Brentford and Isleworth) (Con): What assessment he has made of the potential effects on operations in Libya of the unavailability of an aircraft carrier. [80069]

8. **Penny Mordaunt** (Portsmouth North) (Con): What assessment he has made of the potential effects on operations in Libya of the unavailability of an aircraft carrier. [80076]

The Secretary of State for Defence (Mr Philip Hammond): Thanks to our overseas basing rights, the unavailability of a UK aircraft carrier had no significant effect on the UK's participation in military operations over Libya. That was clearly demonstrated by the outstanding performance of our armed forces over and off the coast of Libya, and by the civilian and military staffs that supported them.

Difficult decisions had to be made by my predecessor, the right hon. Member for North Somerset (Dr Fox), to whom I pay tribute, in order to deal with the black hole that we inherited from the previous Government. The decisions made in relation to carrier capability were painful, but they were the right ones in Britain's long-term interests.

Mary Macleod: On my visits to RAF bases as part of the armed forces parliamentary scheme, air service personnel have raised concerns about the lack of availability of an aircraft carrier. Does my right hon. Friend agree that the British contribution to the no-fly zone in Libya has demonstrated that we can still project air power effectively, despite having to accept a break in our carrier strike capability?

Mr Hammond: My hon. Friend is absolutely right. The performance of British forces in Operation Ellamy precisely demonstrated that we retain such a capability and, indeed, that the aircraft deployed were capable of carrying weapons such as Storm Shadow and the dual-mode Brimstone, which allowed us to deliver a precision response in Libya. That greatly reduced collateral damage and civilian casualties.

Penny Mordaunt: Does my right hon. Friend agree that carrier strike force is a fundamental capability that we must regenerate as it will provide future Governments with both a powerful deterrent and the flexibility to respond to any situation in the most efficient and effective way?

Mr Hammond: As my hon. Friend suggests, the decision to regenerate the carrier capability at the end of the decade will give the United Kingdom a formidable capability in addition to the other capabilities it currently has to project force in areas of the world where basing and overflight rights may not be available. That will be a very welcome and important addition to our overall capability.

Thomas Docherty (Dunfermline and West Fife) (Lab): The Secretary of State will know that Rosyth in my constituency does the refitting for the current carriers and that it is expected to do the refitting for future carriers that may be used in Libya-style operations. Will he confirm that, if there was a separate Scotland, the Ministry of Defence would have to look again at the long-term refitting options for our aircraft carriers?

Mr Hammond: I was not quite sure where that was going. The hon. Gentleman is of course right: it is unlikely Her Majesty's forces would wish to use facilities in a fully independent Scotland in the way they would wish to use them within a United Kingdom.

Ian Lucas (Wrexham) (Lab): Military action in Libya was, of course, supported in a non-partisan manner right across the House, but there will have been concern about the fact that, over the weekend, there were reports of military incidents in Libya. Will the Secretary of State give us an indication of the scale and extent of those incidents?

Mr Hammond: I cannot give the hon. Gentleman a detailed report on the weekend's news stories, but I can say that having provided the cover that allowed the Libyan people to liberate themselves from a brutal dictatorship that has tyrannised them for the best part of four decades, it is very much in our interests and it is our moral responsibility to help them to make the best of the opportunity they have created. We will be watching very carefully as the situation develops. I know that my right hon. Friend the Foreign Secretary will be keeping a very close eye on the situation, with a view to assisting in any way we can to ensure a satisfactory long-term outcome for the people of Libya.

Dr Julian Lewis (New Forest East) (Con): Does my right hon. Friend appreciate the difference—the important distinction—between mounting a no-fly zone and mounting long-range bombing raids in active intervention in a civil war? The latter is what we did in the Libya campaign, and no one would have doubted we could do that from land bases. However, does he not appreciate that a no-fly zone, which involves lengthy routine patrols and the suppression of air defences over a long period, would have been far better mounted from aircraft carriers? It is very important that we do not draw the wrong conclusions from the slightly triumphalist tone that both he and the Prime Minister have adopted in this matter.

Mr Hammond: I hesitate to disagree with my hon. Friend because I know he is very knowledgeable about these matters and I am still a fair way down a steep learning curve. However, I have to say to him that, in the early phases of the Libya campaign, Typhoon operations were mounted in support of the no-fly zone with a view to potentially having to engage in air-to-air operations. From the briefing I have had, my understanding is that it is perfectly possible to mount such an operation from a base that is the distance that Gioia del Colle was from Libyan airspace. Clearly, my hon. Friend is right: if we were seeking to mount an air exclusion operation in a location that was much further away from friendly bases, there would be greater difficulties.

Mr Denis MacShane (Rotherham) (Lab): As we have a base in Gibraltar, the use of a NATO base in southern Italy, and Cyprus, of course we can handle Libya from fixed bases. If we have a crisis anywhere else, such as a new Sierra Leone or a new Indonesia, where Royal Navy aircraft carriers went down to protect British forces, we would not be able to do that. Will the Secretary of State simply say that for the next 10 years we are no longer a maritime power in terms of air projection?

Mr Hammond: The right hon. Gentleman is overstating the case. The Government have been very clear that taking the tough decisions that have had to be taken to clear up the fantasy defence procurement programme we were left will leave us with some limitations in capability in the short to medium term. That is to be regretted, but it was necessary to put our defences on a stable and secure basis in the long term.

Terms of Business Agreement

3. **Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): What the timetable is for the next terms of business agreement. [80070]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The terms of business agreements are unique to the maritime sector and reflect our collaborative work with industry to transform the surface ship build and support, and submarine support, areas. The Department has separate TOBAs with BAE Systems Surface Ships and Babcock Marine, both of which are performing well and currently delivering savings in excess of their targeted benefits. These are 15-year agreements and we have not decided whether or how they will be replaced.

Oliver Colvile: I presume that, under those conditions, the Secretary of State has not had an opportunity to speak to any of the defence industries.

Peter Luff: We have not yet had any discussions with industry about how these arrangements will be carried forward in future—in some 14 years' time. However, the TOBAs are performing very well and delivering savings in excess of their expected benefits. I promise my hon. Friend that we will talk very carefully to all those involved, including Plymouth city council and him, about any future arrangements when the time comes, but that is not quite yet, I fear.

EU Operational Headquarters

4. **Stephen Hammond** (Wimbledon) (Con): If he will make it his policy to oppose the creation of an EU operational headquarters. [80071]

10. **Jason McCartney** (Colne Valley) (Con): If he will make it his policy to oppose the creation of an EU operational headquarters. [80078]

The Secretary of State for Defence (Mr Philip Hammond): It is the policy of this Government that NATO remain the cornerstone of UK defence. We see no justification whatsoever for a permanent EU military operational headquarters, and we will continue to oppose it. We have been clear that the establishment of a permanent operational headquarters would be a duplication of existing capability provided by NATO, would permanently dissociate the EU from NATO, and would be an unnecessary and unjustified use of resources.

Stephen Hammond: The lesson from recent military operations is that our operations with joint and existing allies have enabled military objectives to be achieved. The Secretary of State is clearly right that the proposal to create an EU headquarters would be a duplication, but would it not also curtail the involvement of some of our existing allies in military objectives that we may wish to undertake?

Mr Hammond: My hon. Friend is exactly right. It would duplicate and undermine arrangements we have in place that have been demonstrated to be perfectly adequate.

Jason McCartney: Does my right hon. Friend agree that spending money that the EU does not have on these headquarters is an absurd waste that would also cause confusion in the military chain of command in terms of duplication of effort?

Mr Hammond: Again, my hon. Friend is absolutely right. This is something that we do not need and cannot afford, and that would be damaging to our overall military capability.

Mr Wayne David (Caerphilly) (Lab): The Anglo-French defence accord has been a success, but let us not forget that it was largely negotiated under the previous Government. May I ask this Government whether other agreements are being discussed with other member states of the European Union?

Mr Hammond: On Wednesday I am going to meet my Nordic and Baltic counterparts, and I have already had discussions with my Italian counterpart. It will be the Government's policy to seek bilateral arrangements with other European allies where it is appropriate and in the interests of both parties to collaborate.

Mr Russell Brown (Dumfries and Galloway) (Lab): I realise that the Under-Secretary of State for Defence, the hon. Member for Aldershot (Mr Howarth), who is responsible for NATO matters, is not here, but I am sure that the Secretary of State can respond. I agree with response he gave to the hon. Member for Wimbledon (Stephen Hammond). The Secretary of State is aware that Holland has withdrawn its main battle tank fleet and that Denmark is cutting its navy and ground-based air defences. These are just two examples of defence cuts among our European allies. As a nation, we are part of a European collective, but will he detail what work he and his ministerial colleagues are undertaking to ensure that NATO maintains a coherent capability?

Mr Hammond: I thank the hon. Gentleman for reiterating that there is cross-party support for resisting the temptation or blandishments for an EU operational headquarters. On ensuring that the European part of NATO remains effective, I again pay tribute to my predecessor, who never tired of exhorting our NATO allies to do their bit to maintain NATO effectiveness. I shall certainly continue in his footsteps.

Piracy

6. **Mel Stride** (Central Devon) (Con): What steps the Royal Navy is taking to tackle piracy off the horn of Africa. [80073]

13. **Mr Jim Cunningham** (Coventry South) (Lab): What role he expects UK armed forces to play in the protection of naval vessels against piracy. [80081]

The Minister for the Armed Forces (Nick Harvey): The UK takes seriously efforts to tackle piracy off the horn of Africa and makes a direct contribution to a number of international efforts to counter piracy. We provide the operational headquarters and operational commander to the EU's Operation Atalanta, we provide the deputy commander and HMS Somerset to the US-led combined maritime forces operation, and RFA Fort Victoria is currently under the command of NATO's Operation Ocean Shield. Successful naval efforts must be complemented by proactive measures by commercial shippers.

Mel Stride: I welcome the Prime Minister's commitment to ensuring that our commercial vessels can carry armed guards. Will my right hon. Friend reassure the House that that will in no way diminish the assets of the Royal Navy that are applied to tracking down those involved in piracy?

Nick Harvey: Yes, I can certainly assure my hon. Friend that this move is in no way intended to be a substitute for action by the Royal Navy; it is an additional measure. No matter what degree of resource navies from around the world put into the counter-piracy effort, it would not be possible for there always to be a naval presence on hand when a ship is attacked. No ships that have had any sort of security or that have followed best practice have been pirated.

Mr Cunningham: Following the point made by the hon. Member for Central Devon (Mel Stride), has the Minister had any discussions with the Secretary of State for Transport on the arming of commercial vessels? Will he tell us a little more about that, because it should not be a substitute for the duties of the British Navy?

Nick Harvey: I assure the hon. Gentleman that there has been a lot of discussion between the Home Office, the Department for Transport, the Ministry of Defence and the Foreign Office. Companies can apply for authorisation to carry firearms on ships. The Home Office will shortly issue guidance. Types of weapons will be considered on a case-by-case basis, but they will have to be appropriate and proportionate. Vessel owners will have a responsibility to ensure that guidance is followed, and necessary safeguards will have to be implemented.

Stephen Gilbert (St Austell and Newquay) (LD): When were the rules of engagement for royal naval ships off the horn of Africa last reviewed, and when will they next be reviewed? Can we ensure that we are not tying the arms of our armed forces personnel behind their backs when they are fighting piracy?

Nick Harvey: I assure my hon. Friend that the rules of engagement are kept permanently under review. Having looked closely at this issue, I am confident that we are not in any sense causing our people to fight with their hands tied behind their backs. The rules of engagement are, in my view, entirely appropriate to the task that they are being asked to perform.

Mr Kevan Jones (North Durham) (Lab): The hon. Member for Central Devon (Mel Stride) said that the Prime Minister stated two weeks ago that there would be draft regulations on proposals for arming British merchant-registered ships. Will the Minister confirm what the legal status of those individuals will be, what the rules of engagement will be and, more important, how they will interface with UK personnel who are already deployed off the horn of Africa?

Nick Harvey: I say again that the details of how this policy will work are a matter for the Home Office. It will shortly issue guidance that will cover some of the points that the hon. Gentleman has raised. The Home Office has taken a view on the legality of the policy and it is satisfied that it is legal within existing legislation. On the interface with the armed forces, the armed guards who might be carried on ships—that is a matter for the owners to decide—are there in a preventive capacity. The Royal Navy and other navies will continue to patrol the entire area. The focus of the military effort is to deter and disrupt. As I said a moment ago, it would not be possible, no matter how much resource navies were to deploy, always to have somebody there in a preventive capacity. All ships that have taken the necessary precautions have successfully prevented themselves from being pirated.

Bob Stewart (Beckenham) (Con): To follow up the question on rules of engagement, will the Minister ensure that ours are as robust as possible and allow people defending ships to engage the enemy, or the pirates, at the maximum distance possible, to give those ships more time to take evasive action?

Nick Harvey: I say again that I am perfectly satisfied that the rules of engagement provide the armed forces with as much flexibility as they need to deal effectively with the situations that we expect them to find. I have to say that the UK has been pressing international allies for a bolder set of tactics, and we continue to press them to agree to that.

Afghanistan

7. **Mr William Bain** (Glasgow North East) (Lab): What recent assessment he has made of the security situation in Afghanistan. [80075]

The Secretary of State for Defence (Mr Philip Hammond): I have just returned from my first visit to Afghanistan as Secretary of State for Defence. The visit allowed me to see at first hand the fantastic job that our armed forces are doing on behalf of our country, and the progress that they are making both in reversing the momentum of the insurgency and in training the Afghan security forces to defend their own country. I assess that the security situation in central Helmand has improved, and that good progress is being made in both the number and capability of the Afghan national security forces.

Mr Bain: Given this morning's disturbing report that the Taliban are attempting to procure the security arrangements for the forthcoming Loya Jirga, what assistance will the international security assistance force be able to provide to the Afghan security forces to ensure that those participating in that important event can do so free from attack and intimidation by the Taliban?

Mr Hammond: The Loya Jirga will take place in Kabul, and of course ISAF has considerable resources deployed there in support of the Afghan security forces. Also, many ISAF contributing nations have special forces operating in Afghanistan, working in collaboration with the Afghan special forces and special police. All those arrangements will help to ensure the security of the Loya Jirga.

Nicholas Soames (Mid Sussex) (Con): Will my right hon. Friend pay an especially warm tribute to the soldiers of the British Army, and those in other parts of the services, who are contributing so much to the training of Afghan forces? Has he decided in which particular areas we will specialise in training Afghans after 2015?

Mr Hammond: I am happy to join my right hon. Friend in paying tribute to British servicemen and women for their work in training and mentoring Afghan national security forces on the job. Looking forward, the Prime Minister has made a commitment that Britain will take the lead role in the Afghan national officer training academy, which will be established just outside Kabul and will train the bulk of officer recruits to the Afghan national security forces.

Mr Bob Ainsworth (Coventry North East) (Lab): The progress at the operational level in central Helmand that the Secretary of State reports has been achieved by the bravery of troops, yes, but also by the fact that in the past year or so they have had sufficient troop density in the area of operations to carry out an effective counter-insurgency operation. Is he now taking decisions that will effectively widen the area of responsibility, but with the same number of troops? That will surely have an impact on force density, which will potentially undermine their ability to succeed in the way they have in the past couple of years.

Mr Hammond: The simple answer to the right hon. Gentleman is no. I understand very well the concern that he expresses. He is referring, I think, to stories about the level and speed of US Marine Corps withdrawal from central Helmand, and indeed from the wider Helmand area. We are very clear that it is the increased force density that has secured the success of the British mission, and we have no intention of allowing that force density to be diluted in a way that damages our future prospects of success.

Mr James Arbuthnot (North East Hampshire) (Con): Over recent years the Afghan national police have been regarded as a threat by the local population second only to the Taliban. Can my right hon. Friend say whether significant progress has been made in bringing the quality of the police up to that of the Afghan national army?

Mr Hammond: I believe that progress has been made. The composition of the Afghan national police is different from that of the Afghan national army in terms of the distribution of locally raised forces. There is a greater affinity between ANP forces and local people than between the army and local people, but there is still further work to do, and I fully recognise what my right hon. Friend says.

Mr Jim Murphy (East Renfrewshire) (Lab): We remain committed to the Afghan mission, and we now want to see military might matched by substantial political progress. The Secretary of State will know that reservists will play a bigger role in Afghanistan and beyond, which may require additional mandatory training. At a time when many reservists have lost their full-time jobs, the benefits system might be unintentionally penalising them and hindering their freedom to take on extra reservist training or allowances. It would be a disgrace if a single reservist lost a penny in benefits because of their service. Will the Secretary of State undertake a wider piece of work with the rest of Government and conduct an urgent review to ensure that our welfare state does not punish a single reservist?

Mr Hammond: I thank the right hon. Gentleman for again reasserting the cross-party support for the Afghan campaign, and he is right that reservists are playing an important part in it. Sadly, one of those killed in action most recently was a reservist serving his country.

My hon. Friend the Minister for the Armed Forces tells me that the problem the right hon. Gentleman raises is one that we are acutely alert to and aware of. There is work being done across Government to look at the problem and ensure that the concerns that he has raised are dealt with.

War Memorials

9. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What steps his Department is taking to prevent the desecration of war memorials. [80077]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): War memorials provide a lasting and poignant reminder of all those who have served and died in the service of our country. Most right hon. and hon. Members will have attended a war memorial yesterday to pay their respects to the fallen, both in the first and second world wars and subsequently. It is shocking that memorials are being violated and vandalised in the manner that we have all read about. I support any plan to protect memorials, and I know that the Home Office and local authorities are committed to dealing with the problem.

Stephen Metcalfe: At this solemn time of year, when we remember those who fell to protect our freedoms, there is a small, despicable group of people who go round stealing metal from war memorials. What action are my right hon. Friend and his colleagues across Government taking to bring the full force of the law to bear on those individuals?

Mr Robathan: For myself—I should say that I am not sure that this is Government policy—if they were caught, I would ensure that they received exemplary sentences, but that is a matter for my colleagues in the Ministry of Justice. In the Ministry of Defence, the sponsored cadet forces are being encouraged to participate in project In Memoriam 2014. The project involves locating and logging the thousands of war memorials across the United Kingdom and marking them with SmartWater, a commercial product that should enable the metal components of war memorials to be forensically traced if they are stolen.

David Wright (Telford) (Lab): The desecration of war memorials is an appalling crime, condemned by Members in all parts of the House. Would the Minister be willing to meet representatives from SmartWater, which is based in my constituency? It is doing a tremendous job protecting metal on war memorials, as part of its wider social obligation to our communities. Would he be willing to meet SmartWater representatives to see what more we can do to protect memorials? All parts of the House would support such initiatives.

Mr Robathan: I would be very happy to hear their submission. I should point out that the something like 100,000 marvellous war memorials in this country are not the responsibility of the Ministry of Defence. The War Memorials Trust is doing excellent work on this, but if the hon. Gentleman writes to me, we shall see whether we can have a meeting, perhaps with one or two of the people responsible for the matter.

Warrior Armoured Fighting Vehicle

12. **Jack Lopresti** (Filton and Bradley Stoke) (Con): What assessment he has made of the potential effects on (a) the Army and (b) UK industry of the capability sustainment programme for the Warrior armoured fighting vehicle. [80080]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The £1 billion upgrade to the Warrior armoured fighting vehicle is an important step towards meeting the requirements for Future Force 2020. Warrior will remain the backbone of the infantry for the next 30 years. The upgrade represents a step change in capability, ensuring that our forces are equipped to counter the threats of the future. UK industry will benefit from the creation and sustainment of some 600 British jobs within prime contractor Lockheed Martin UK and its supply chain, sustaining both skills and capability within the UK's armoured vehicle sector.

Jack Lopresti: I would like to thank my hon. Friend for his answer and to welcome the announced upgrade that will provide our forces with state-of-the-art firepower for the next 25 or 30 years, but will he also ensure that our troops have the kit they need when they need it to do their job as effectively and as safely as possible?

Peter Luff: I am certainly happy to give my hon. Friend that reassurance. I pay tribute to his constituents for playing their part in ensuring that that is achieved both at Thales, which is making the battle group thermal imager for the upgrade and at Defence Equipment and Support itself. I met many staff at Ampthill a week or so ago to celebrate the great success of the Warrior upgrade programme.

Libya

14. **Andrew Selous** (South West Bedfordshire) (Con): What recent estimate he has made of the cost to the public purse of the UK's operations in Libya. [80082]

The Secretary of State for Defence (Mr Philip Hammond): Our estimate on 12 October was that the net additional cost of operations in Libya would be £160 million. Our estimate at the same date of the cost of replenishing munitions used in Libya was £140 million. That estimate assumed that operations would continue until the end of December. We are currently calculating a new estimate based on the actual end of operations on 31 October, and I expect to make a further statement in early December. I expect the new estimate to be lower than the one previously given.

Andrew Selous: Given Libya's vast oil wealth, does the Secretary of State think it might be appropriate in due course for Libya to make some form of compensatory payment to the United Kingdom for those costs incurred?

Mr Hammond: The UK's motivation in intervening and playing a leading role in the Libya campaign was not based on an expectation of financial reimbursement; it was to prevent a humanitarian disaster and to protect the vital interests of this country. The Libyan situation, as hon. Members have already pointed out, remains fragile and our first priority is to assist the Libyan people and the Libyan Government in stabilising the situation. Seeking financial reimbursement is not a current priority.

Afghanistan

15. **Margot James** (Stourbridge) (Con): What recent assessment he has made of the adequacy of equipment supplied to troops in Afghanistan. [80083]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The provision of equipment for our forces in Afghanistan is regularly reviewed, with new equipment and capabilities being developed and delivered in response to emerging requirements. The military assessment is that our forces are now being provided with the equipment they need to undertake the tasks they are doing and that no missions are being compromised by the inadequacy or unavailability of equipment. Having met both 16 Air Assault Brigade and 3 Commando Brigade after their respective tours in Afghanistan, I know that that view is shared by those on the front line who actually use the equipment.

Margot James: I thank the Minister for his response. There has been much criticism of the kit supplied to front-line troops, particularly those on foot patrol in Afghanistan. Will he advise us of any improvements made specifically for those troops on foot patrol to mitigate these threats?

Peter Luff: As I said in my original answer, constant improvements are being made. One of the two that I would highlight has already happened—tier 1 and tier 2 pelvic protection against blast, which is being well received by our own armed services and is now being emulated by the Americans. Secondly, for the future, there is the provision of the light protected patrol vehicle, Foxhound, which will come into service in the early part of next year.

Paul Flynn (Newport West) (Lab): What proposals does the Minister have to improve the equipment that will reduce the number of deaths and serious injuries among British troops dealing with improvised explosive devices and bombs?

Peter Luff: I am glad to tell the hon. Gentleman that the third layer of pelvic protection—the tier 3 protection—does precisely that. I can reassure him that work is being done constantly to ensure that those very brave operatives have access to the best possible equipment to do their important task. It is important that they are allowed to disassemble IEDs because they provide vital clues about the tactics of the enemy, which helps prevent further deaths among the widest number of forces serving in Afghanistan.

Service Families (Education)

16. **Stephen Mosley** (City of Chester) (Con): How many children received support through the additional pupil premium for children of service families in the latest period for which figures are available. [80084]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): Some 45,000 service children have been recorded as eligible for the service child pupil premium in 2011-12. We are working to encourage service families to complete the annual school census so that their children and their schools can benefit from this additional payment to recognise the uniqueness of service life.

Stephen Mosley: There are currently 134 children from 1st Battalion The Royal Welsh in eight Chester schools, but parents and teachers seem unsure about the purpose and use of the pupil premium in their schools. What has the Minister done to raise awareness of the actions that the Government have taken to support service children?

Mr Robathan: This is a new initiative. We want to raise awareness, and anything that my hon. Friend can do to help in that regard will be very welcome. We have set aside £9 million this year for the pupil premium, and have also set aside £3 million specifically for schools that take a large number of service pupils and may be experiencing problems. We have invited them to apply for the money, but may I ask my hon. Friend to ensure that they look up the details on the Department for Education's website and then apply?

Defence Manufacturing

17. **Diana Johnson** (Kingston upon Hull North) (Lab): What steps his Department is taking to support strategically important defence manufacturing industry in the United Kingdom. [80085]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The Ministry of Defence's first responsibility when procuring equipment is to provide the armed forces with the capabilities that they require when they need them, in an affordable and sustainable way. The forthcoming White Paper will set out our approach to acquiring technology, equipment and support for our armed forces, and will explain how we will take action to protect our operational advantages and freedom of action where that is essential for national security.

Diana Johnson: I think that all Members will recognise the vital strategic importance of having defence production lines in the United Kingdom, as well as the importance of rebalancing the economy through modern manufacturing jobs, private sector jobs and jobs in the regions. What is the Minister doing to protect the skilled jobs and apprenticeships that are likely to go at BAE Systems in Brough? Those workers will find out on Boxing day whether their jobs are going to disappear. What is the Minister doing about it?

Peter Luff: I have to disappoint the hon. Lady, because decisions about where redundancies fall must be made by defence companies and not by Ministers. I understand her concern about what has happened at Brough, and she will understand what BAE Systems said, in public, about the underlying reasons for the changes. *[Interruption.]* I can answer the sedentary question from those on the Opposition Front Bench by saying that the White Paper, which will set out our approach in more detail and will help hon. Lady to understand the issues more fully, will be published next month.

Mr Julian Brazier (Canterbury) (Con): I fully understand the difficult balance that my hon. Friend is trying to strike between securing the best value for our forces and protecting key capabilities, but may I urge him to look carefully at French industrial strategy? When we are collaborating with a country that has an activist industrial policy, there is a real danger that our procurement policy will end up following French industrial strategy unless we are fully aware of what is happening on the other side.

Peter Luff: Some Members may well find themselves in considerable sympathy with what my hon. Friend has said. Let me simply say that when I engage in discussions with my French opposite numbers, such issues are always at the forefront of my mind, and they will continue to be so—for instance, at the summit that is to be held in December.

Alison Seabeck (Plymouth, Moor View) (Lab): The Minister will be aware that the global financial crisis is causing a number of nations to take defence work back in-house, partly in order to protect their own work forces. Others, such as Italy, are seeking to renegotiate contracts, which is leaving UK firms of all sizes open to potential job losses. The Minister's answer to my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) provided no reassurance that the Government were doing everything that should be done to protect British business overseas. In fact, what we heard was far from reassuring: it was about passing the buck back to industry. Will the Minister please reassure us that he will do all that can be done to support British industry?

Peter Luff: With respect, the hon. Lady's question is rather different from the one asked by the hon. Member for Kingston upon Hull North (Diana Johnson). When it comes to helping British businesses overseas, I think that this Government's track record compares very favourably indeed with that of the lot opposite when they were in power, and I am happy to tell them that the reason the Under-Secretary of State for Defence, my hon. Friend the Member for Aldershot (Mr Howarth)—the Minister responsible for international security strategy—is not present today is that he is at the Dubai air show doing precisely that. Moreover, my right hon. Friend the Secretary of State was in Japan a couple of weeks ago, making the case for the Eurofighter Typhoon. We are doing a very good job speaking up for British industry overseas: a damn sight better job than the Opposition did.

Mark Menzies (Fylde) (Con): One of the most important defence manufacturing businesses in the UK is BAE Systems in Warton, which is in my constituency and is the home of the Typhoon. Will the Minister update the House on the Government's efforts to support that world-leading product?

Peter Luff: We are working strenuously to support the product, although I think that in many senses it speaks for itself. What we are doing is ensuring that the wider world recognises the outstanding performance of the Eurofighter Typhoon in the activities over Libya, where it has shown itself to be superior in all respects to every other aircraft in the world today. That is the message that we are taking to India and Japan, and that we are delivering in our many other export campaigns. I am hopeful that we will achieve success in many of them, for the aircraft certainly deserves that success.

Iran

18. **Mr Philip Hollobone** (Kettering) (Con): What steps his Department is taking in co-operation with other countries to develop future defence initiatives against Iran and to prevent the build-up of that country's nuclear weapons technology. [80086]

The Minister for the Armed Forces (Nick Harvey): The MOD conducts contingency planning for numerous possible scenarios around the world. However, the UK continues to work with other countries to achieve a diplomatic solution to Iran's nuclear ambitions. We want a negotiated solution, not a military one, but all options should be kept on the table.

Mr Hollobone: Do the recent visits by the Chief of the Defence Staff to Tel Aviv and the Israeli Defence Minister to London suggest that Her Majesty's Government are seeking a closer defence relationship with Israel, with Iran at the top of the agenda?

Nick Harvey: The recent visit to Israel by the Chief of the Defence Staff was part of his long-standing programme of visits. He visited both Israel and the occupied west bank, he was able to speak to both the Israeli chief of staff and the Palestinian Prime Minister, and he assessed for himself the security concerns at first hand and urged the two sides to resume direct talks. I have no doubt that during his visit he also discussed the wider security implications in the region.

Topical Questions

T1. [80093] **Mr Jim Cunningham** (Coventry South) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Mr Philip Hammond): My departmental responsibilities are to ensure that our country is properly defended, now and in the future; that our service personnel have the right equipment and training to allow them to succeed in their military tasks; and that we honour our armed forces covenant. In order to discharge those responsibilities, it is necessary to ensure that the Department has a properly balanced budget and a programme that is affordable and sustainable in the medium to long term.

Mr Cunningham: What progress has been made with the Indian Government on the Typhoon deal?

Mr Hammond: As the Under-Secretary of State for Defence, my hon. Friend the Member for Mid Worcestershire (Peter Luff), just said, UK Ministers have been assiduous over the past few weeks in promoting the case for the Typhoon in India and in other countries that are considering the purchase of new fast jets. We understand that there is likely to be an announcement in the next few weeks on the decision made by the Indian Government.

T2. [80094] **Sajid Javid** (Bromsgrove) (Con): Does my right hon. Friend agree that it is deeply irresponsible for certain elements of the press to print untrue scaremongering stories about the future treatment of our armed forces personnel, especially over the Remembrance day weekend?

Mr Hammond: I agree with my hon. Friend. The story that has been running this weekend has been deeply unhelpful to morale in our armed forces, and is based on untruths and misconceptions. There has been no change in the Government's position on the number of Army posts that will go over the remainder of the decade and no change in the procedure for exempting those recovering from injuries incurred on active service from the redundancy process.

Mr Jim Murphy (East Renfrewshire) (Lab): We fully understand why the dedicated international security Minister is not with us today, but can the Secretary of State not come to a conclusion where he makes this temporary absence permanent and cuts the number of Ministers at the MOD? This is nothing personal against the Under-Secretary of State for Defence, the hon. Member for Aldershot (Mr Howarth)—he is a good man, he works hard and I am not suggesting that he should be sacked in his absence. However, the Levene review recommended a head count reduction in MOD Ministers and, at a time when the Army is being cut by almost by 20,000 and the Air Force and the Navy by almost 5,000 each, why is it that the only place in the MOD exempt from head count reduction is the ministerial offices?

Mr Hammond: As the right hon. Gentleman knows, the appointment of Ministers is a matter for the Prime Minister. But I cannot help noticing that the Leader of the Opposition does not appear to have taken note of the right hon. Gentleman's self-denying recommendations.

T3. [80095] **Stephen Hammond** (Wimbledon) (Con): I welcome my right hon. Friend's comments about the need for sustainability. Will he therefore confirm to the House that he will continue the good work of his predecessor in implementing the whole of the Levene recommendations?

Mr Hammond: I am happy to give my hon. Friend that assurance. I have been through the body of recommendations that Lord Levene made and that were endorsed by my predecessor. I am happy with them as a whole and I will pursue their implementation.

T8. [80100] **Nick Smith** (Blaenau Gwent) (Lab): The British Legion's money advice service helped more than 3,000 service families with unsecured-loan problems last year. Today's *Daily Mirror* reports that firms such as QuickQuid are targeting military personnel and charging annual rates of more than 1,000%. According to the *Daily Mirror*, the Minister has never heard of payday loans, so how will he stop those get-rich-quick merchants ripping off our service families?

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): May I counsel the hon. Gentleman? In no circumstances should he believe everything that he reads in the *Daily Mirror*. However, in response to the hon. Member for Walthamstow (Stella Creasy) who referred to payday loans on Thursday, I made the point that the issue had never been raised with me.

Mr Kevan Jones (North Durham) (Lab): You said that you had never heard of them.

Mr Robathan: I do wish that the hon. Gentleman would be quiet. I had indeed never heard of them, because the issue is not something that has come across my desk. However, I deprecate these ridiculous, high-interest loans, which are appalling. They are not something that we find in the chain of command. It is true that the Royal British Legion does an excellent job in helping families and, indeed, ex-service personnel when they get into trouble with debt.

T4. [80096] **Jonathan Lord** (Woking) (Con): Will my hon. Friend tell the House how many force elements at readiness the joint Harrier force had at the time of the strategic defence and security review, and what his assessment was of the number of trained pilots and the force's ability to conduct strike operations?

The Minister for the Armed Forces (Nick Harvey): At the time of the SDSR, there were eight qualified Harrier pilots trained to operate off an aircraft carrier, only one of whom was trained to do so under night-flying conditions. The previous Government envisaged that the Harrier force would be worked up to support a small-scale contingent operation by the end of 2011. The Harrier force did not have the ability to have conducted both the Afghanistan and the Libya commitments at the same time. Indeed, my advice is that it would have taken 18 months to regenerate the Harrier force to support operations in Afghanistan alone.

Graham Jones (Hyndburn) (Lab): In recent weeks, BAE Systems has made it absolutely clear that the reason that there are 3,000 job losses is the slow-down in the Eurofighter order. In the light of that, can the Secretary of State clarify the Chancellor's comments to the House on 1 November? When asked about job losses by the hon. Member for Fylde (Mark Menzies), who is in his place, he replied that the job losses reflect the fact that

"the US defence budget had an impact on BAE Systems."—[*Official Report*, 1 November 2011; Vol. 534, c. 758.]

Will the Secretary of State clarify which UK-US defence cuts the Chancellor was referring to?

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The F-35 joint strike fighter slow-down.

T5. [80097] **Penny Mordaunt** (Portsmouth North) (Con): There are reports that the Department's medal review has been stopped and that an independent review will now commence. Can the Minister assure me that that will not cause further delays to veterans, such as those of the Arctic convoys, in getting a decision and that no service personnel facing redundancy will miss out on the diamond jubilee medal?

Mr Robathan: Two questions for the price of one. A review of medals is indeed ongoing. It has not yet been finalised. When it is finalised, it will be put before the House in the normal way. No one who is eligible for the diamond jubilee medal on the correct date, which is, I think, 6 February this coming year, will be affected by compulsory redundancy because the qualification date will be before anyone is made compulsorily redundant, although, of course, if they have not done five years on that date, they will not qualify for the medal.

Geraint Davies (Swansea West) (Lab/Co-op): Concern has been expressed about Army recruitment in Swansea because Territorial Army pay is taken off the benefits of Territorial Army personnel, thus undermining demand from those people who are not working to join the Territorial Army. Will the Minister talk to the other Departments involved to try to reconcile that problem?

Mr Philip Hammond: The hon. Gentleman was dozing earlier, but the right hon. Member for East Renfrewshire (Mr Murphy) asked precisely that question, and I was able to reassure him, first, that we are very much aware of the issue and, secondly, that a piece of cross-departmental work is going on to ensure that the negative effects that he suggests do not in fact materialise.

T6. [80098] **Robert Halfon** (Harlow) (Con): Will my hon. Friend consider introducing legislation to allow councils to give council tax discounts to servicemen returning from duty? At the moment, although that is possible, it is very difficult for them to do so.

Mr Robathan: I am grateful to my hon. Friend for raising the issue. It is within the powers of any local authority to give a discount on council tax, should it wish to do so. I would welcome that if it improves the lot of our service personnel returning from operations.

Paul Goggins (Wythenshawe and Sale East) (Lab): If, in the near future, Members of the other place decide once again to remove the chief coroner from the Public Bodies Bill, the Government will clearly have to think again. In those circumstances, will the Secretary of State stand up for the bereaved families of those who paid the ultimate sacrifice and encourage the Justice Secretary to adopt the affordable alternative put forward by the Royal British Legion?

Mr Robathan: I do not know whether the right hon. Gentleman was not here or was dozing earlier, but I answered the question—*[Interruption.]* What I can say to him is that we absolutely care for the bereaved families. That is one of our highest priorities, and rightly so. We wish to ensure that they get decent services inquests, and that is what we are doing. I point out gently to him that it was under the previous Administration that there were problems with inquests.

T7. [80099] **David Rutley** (Macclesfield) (Con): My family, like many other fans of the Red Arrows, were deeply saddened by the recent tragic loss of Flight Lieutenant Sean Cunningham. Will my hon. Friend tell the House what steps are being taken to investigate that tragic incident fully and to ensure that similar tragedies are avoided in the future?

Nick Harvey: I can assure my hon. Friend that in addition to a service inquiry, the Military Aviation Authority is conducting a detailed analysis of what went wrong. In the meantime, we have grounded aircraft using the same ejector system, but not those that are currently on front-line operations.

Chris Evans (Islwyn) (Lab/Co-op): What specific new powers are to be given to local authorities to provide affordable accommodation for service families?

Mr Robathan: The hon. Gentleman raised the matter on Thursday. Only last night the Minister for Housing and Local Government was on television making the point that we are very keen that people returning from operations or from abroad and moving into their home area where they have not lived for some time should have priority in council housing. That is, of course, the responsibility of local authorities, but we are working hard with them to get them to take note that somebody who has been away for six years may be a resident of Islwyn, even if he has been living somewhere else for the past six years.

Dr Liam Fox (North Somerset) (Con): This is the first chance I have had to welcome my right hon. Friend the Secretary of State to his post, which I do with the greatest pleasure and the utmost confidence. Since the Atlanta games there has been an internationally accepted minimal level of protection for the Olympics. Will he confirm to the House that there will be a full range of multilayered defence and deterrence for the London games, including ground-to-air missiles in London?

Mr Philip Hammond: I thank my right hon. Friend for his generous words. I can assure him that all necessary measures to ensure the security and safety of the London Olympic games will be taken, including—if the advice of the military is that it is required—appropriate ground-to-air defences.

Stella Creasy (Walthamstow) (Lab/Co-op): I am delighted to have raised the consciousness of the Minister about payday loans in our debate last Thursday, and I am pleased to hear his words of condemnation today. May I press him to go a little further? Will he write to his colleagues in the Department for Business, Innovation and Skills to back calls for a cap on the cost of credit to protect our forces families, so that he can turn his outrage into action?

Mr Robathan: As I said to the hon. Lady on Thursday, I am already investigating the matter, although I make the point again that it has not been raised with me in the past 18 months that this is an issue with service personnel. I think it is an issue, obviously, because the hon. Lady raised it. It is not my responsibility to write to BIS, but if, in the course of investigations, it appears that that is affecting service personnel, I shall certainly take it up with BIS, as I agree with her—surprisingly—that the rates of interest are ridiculously high and should be capped.

Sir Menzies Campbell (North East Fife) (LD): Does the Minister understand that any satisfaction there may be in Scotland about the announcement of Army units to be deployed at RAF Kinloss is more than tempered by severe disappointment in my constituency that no such similar announcements have been made in respect of RAF Leuchars? Promises have been made. Is it not time we were told how these promises are to be implemented and some guarantees were given?

Nick Harvey: The announcement in the House on 19 July explained the broad strategic direction that will be taken on rebasing. As far as the particulars of RAF Leuchars or any other base are concerned, further work is currently under way on the detailed site-by-site analysis, but there is a further complication, as the Army is currently conducting a large piece of work on its future shape and structure, so we will not come to any final decisions on basing until that work is concluded, which we expect to be early next year.

Angus Robertson (Moray) (SNP): The full unit establishment total at RAF Kinloss was about 1,500 posts and the annual gross wage contribution to the local economy was £54.5 million. The planned relocation of 930 Army engineers to Kinloss is welcome, but what economic assessment has been made of their relocation?

Nick Harvey: The decision to move Army units to Kinloss was taken on the basis of military efficiency. I acknowledge that the number of personnel will be slightly smaller than the number who were there previously, but the fact is that the decision was dictated by military considerations. I hope that the hon. Gentleman and his constituents will welcome the Army into their community and be grateful for the contribution they make to the local economy

Mark Lancaster (Milton Keynes North) (Con): I remind the House of my interests. In the light of the proposed future utilisation of reserves, does the Minister anticipate any need to change their terms and conditions of service?

Mr Robathan: May I first pay tribute to my hon. and gallant Friend, who continues to serve in the Territorial Army, for which I am grateful? As he knows, there are concerns following the Future Reserve 2020 study, which we are concentrating on, such as the under-recruitment of young officers into the TA, which is extremely important. We are yet to decide on changes to terms and conditions. People join initially for patriotic reasons of service, and secondly, quite rightly, for adventure, excitement and such reasons, but we must of course get the terms and conditions right because finance is also important. We are looking at that closely.

John McDonnell (Hayes and Harlington) (Lab): May I return to the issue of housing? Two weeks ago I was visited by a soldier who is to be invalided out of the Army. He has served in Afghanistan and elsewhere and has local relatives, yet the London borough of Hillingdon is contesting its responsibility to house him. I ask the Minister to liaise with the Minister for Housing and Local Government to get specific advice or instructions on local connection rapidly to local authorities so that they cannot use it to wriggle out of their responsibilities.

Mr Robathan: I am sorry to hear about that case. If the hon. Gentleman cares to write to me about it, I will certainly take it up with the London borough of Hillingdon. It is a great pity—I put it no more strongly—that some local authorities do not take sufficient care in their responsibility towards the armed forces. We are setting up community covenants, which many local authorities are taking up. They are about local authorities liaising with the military so that they take in people such as his constituent and give them priority when they need it.

Jo Swinson (East Dunbartonshire) (LD): A recent ActionAid survey found that 86% of Afghan women worry about the return of a Taliban-style Government when international troops leave. What will the Ministry of Defence do in the lead-up to the planned withdrawal of troops in 2014 to ensure that we leave as a legacy an Afghanistan where there is safety and security for women as well as for men?

Mr Philip Hammond: It is absolutely clear that for Afghanistan to have a stable and sustainable future there must be an inclusive political settlement, and that is this Government's policy. That means including all the ethnic groups within Afghanistan and ensuring the participation of women in Afghani society. That is the direction of the Government's policy that we will pursue vigorously.

Points of Order

3.33 pm

Mr Aidan Burley (Cannock Chase) (Con): On a point of order, Mr Speaker. May I bring to your attention the right hon. Member for Birmingham, Hodge Hill (Mr Byrne) and the hon. Member for Leeds West (Rachel Reeves)—I have notified them in advance—and seek your guidance on whether a breach of the code of conduct might have occurred during the passage of the Pensions Bill? This follows—

Mr Speaker: Order. I am grateful to the hon. Gentleman for advance notice of his purported point of order, a welcome courtesy that might not have helped his cause. If, as I believe to be the case, he wishes to raise a matter relating to the code of conduct—

Mr Burley *indicated assent.*

Mr Speaker: I am grateful for his nod of assent. He should raise such a matter with the Parliamentary Commissioner for Standards and not—I underline not—as I have had occasion to say before, as a point of order for me.

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. Last week, the Home Secretary and the Immigration Minister both asserted on more than one occasion in the House that their relaxation of border controls had not meant that any passengers arriving in the United Kingdom were at any point waved through without even rudimentary checks. However, I have incontrovertible new evidence that that is precisely what happened under a new general aviation policy that started earlier this year. Not only were passports not swiped and the warnings index not checked, but passengers were passed through without even being seen. I have also seen new evidence that the Government have statistics on how often—

Mr Speaker: Order. The hon. Gentleman is an extremely experienced Member, and he will know that matters of genuine contention and debate cannot be matters on which the Chair will rule. If he wants to avail himself of the mechanisms available to him through the Table Office and the other means by which he can draw his concerns to the attention of the House and seek to probe Ministers, I think that it would be best for him to do that first. In this case, I do not have the advantage of prior knowledge of the detailed content of his point of order—[Hon. Members: "Ah!"] I am not complaining about that; the hon. Gentleman is not guilty of any impropriety. It is no good people going "Ah!" as though I have made some dramatic disclosure. However, I have to make a judgment as to whether this matter warrants the further attention of the House now, and on the basis of the information available to me, my judgment is that it does not.

Angus Robertson (Moray) (SNP): On a point of order, Mr Speaker. Various journalists were sent an e-mail from the Ministry of Defence last Wednesday at 6.13 pm informing them of the details of the planned troop deployment to the Kinloss base in Moray. The 930 Army engineering posts at Kinloss, although about 41% lower than the full RAF unit establishment total, will be welcome, but the Ministry of Defence first informed me, as a constituency Member, of the decision in a letter from the Armed Forces Minister via an e-mail some 15 hours later, at 9.06 on Thursday morning. Despite my e-mailing him back immediately to ask why the media had been informed some 15 hours in advance, I have yet to have a reply. Mr Speaker, do you agree that it is totally unacceptable for the MOD to operate in this way?

Mr Speaker: I am not sure that I can provide the hon. Gentleman with the satisfaction he seeks on the basis of what I have heard. He has taken this opportunity to put his concern on record, and I do not think that I need to take the matter further—*[Interruption.]* The hon. Gentleman is gesticulating at those on the Treasury Bench, using fulsome hand gestures in the process, but the Minister is under no obligation to respond. I would say, for the benefit of those who are interested in our proceedings, that this is not an occasion for debate. These are narrow matters of points of order for the Chair, and that is why I have ruled as I have done.

Grahame M. Morris (Easington) (Lab): On a point of order, Mr Speaker. Please could the House have your ruling on the implications of the Information Commissioner's ruling that the Department of Health has twice unlawfully withheld key risk indicators relating to the Government's health reforms and to the Health and Social Care Bill? Can you advise the House on whether the Department's action was unlawful, as stated by the Information Commissioner, and whether it should also be treated as contempt of Parliament, given that the information was sought through written questions from right hon. and hon. Members, and was withheld during the First, Second and Third Readings of the Bill in this House as well as during its unprecedented two Committee stages?

Mr Speaker: I am grateful to the hon. Gentleman. On his first question about the action being unlawful, I will not respond, as it is not the job of the Speaker to rule on such matters. On his second point on the issue of contempt, this is in effect a complaint relating to privilege, which cannot be raised first on the Floor of the House. He should write to me if he wishes to pursue the matter. On the question of any further scrutiny, that is very much dependent on proceedings in the Lords, on which the Public Bill Office can advise. I think that I shall leave the matter there for today.

John Hemming (Birmingham, Yardley) (LD): Further to that point of order, Mr Speaker. The Procedure Committee is very willing to consider references to it of questions that have not been answered. Perhaps hon. Members will wish to know that no such references have been made recently and that we are looking forward to receiving them.

Mr Speaker: As ever, the hon. Gentleman has proved to be most helpful. His enthusiasm for consideration of these matters is widely known in all parts of the House.

EDUCATION BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Education Bill for the purpose of supplementing the Order of 8 February 2011 (Education Bill (Programme)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion at 10.00 pm at this day's sitting.

Subsequent stages

2. Any further Message from the Lords may be considered forthwith without any Question being put.

3. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*(Mr Gibb.)*

Question agreed to.

Education Bill

Consideration of Lords amendments

Mr Speaker: I must draw the House's attention to the fact that financial privilege is involved in Lords amendments 16, 23, 34, 36, 37, 40, 41 and 43.

Clause 8

FUNCTIONS OF SECRETARY OF STATE IN RELATION TO TEACHERS

3.41 pm

The Minister of State, Department for Education (Mr Nick Gibb): I beg to move, That this House agrees with Lords amendment 1.

Mr Speaker: With this it will be convenient to consider Lords amendments 2 to 18.

Lords amendment 19, and amendment (a) thereto.

Lords amendments 20 to 22.

Lords amendment 23, and amendment (b) thereto.

Lords amendment 24, and amendment (a) thereto.

Lords amendments 25 and 26.

Lords amendment 27, and amendments (a) and (b) thereto.

Lords amendments 30 to 35, 37, 38, 40 to 42, 44 to 46 and 72 to 98.

Mr Gibb: It is with great pleasure that I bring the Education Bill back before the House. It received detailed scrutiny here in the spring, in the course of 22 Committee sittings, before it went off to the other place. Their lordships have given it the full benefit of their diligence and expertise and I am pleased to say that its core content is as it was when it left this House. Before I address the amendments, it might be helpful if I briefly remind the House of the core content. Its main purpose is to give legislative effect to the proposals in the education White Paper, "The Importance of Teaching", published last November. It also contains some measures from the Department for Business Innovations and Skills, which my hon. Friend the Minister for Further Education, Skills and Lifelong Learning will discuss in due course.

The Bill has four main themes. First, it seeks to give teachers and head teachers greater freedom and flexibility to use their judgment and expertise to get the best results for their pupils. International evidence shows that greater school autonomy characterises the best performing education systems. The Bill seeks to remove unnecessary legislative duties from schools and extends the benefits of the academies programme to 16 to 19-year-old pupils and vulnerable pupils in need of alternative provision.

Secondly, the Bill seeks to strengthen the powers and authority of teachers in relation to classroom discipline. We want all children to be educated in a safe environment that is free from disruption and we want all teachers and prospective teachers to feel confident that they have society's backing in tackling poor behaviour. The Bill will allow same-day after-school detentions and will provide a power to search pupils for any item likely to cause harm or injury. It will also give teachers pre-charge anonymity when faced with an allegation by a pupil that they have committed an offence.

[Mr Gibb]

Thirdly, the Bill matches the increased autonomy it seeks to introduce with sharpened accountability and seeks to focus Ofsted inspections on the four most important aspects of a school's work. It will require Ofqual, the independent regulator, to secure that the standards of English qualifications are comparable with the best in the world, and it will strengthen the powers of the Secretary of State to intervene in poorly performing schools. It will abolish five arm's length bodies to reduce wasteful duplication and will ensure that there is accountability to Parliament, through the Secretary of State, for functions that need to be carried out nationally.

Fourthly, the Bill seeks to promote greater fairness in the context of current fiscal constraints. It will give disadvantaged two-year-olds an entitlement to free early-years provision, and for new higher education students it will enable the new student finance arrangements to come into force.

There have been a relatively small number of technical and drafting amendments, but their Lordships have also made a number of substantive amendments to improve the Bill, and I shall now explain them.

3.45 pm

The first four of the amendments made in the other place were all made at the request of the Delegated Powers and Regulatory Reform Committee. The Bill gives the Secretary of State a new power to make interim prohibition orders. That power was always intended for use in the very rare cases where it is in the public interest to bar an individual from teaching while investigation into their conduct is under way, prior to a final decision. Lords amendments 1 to 4 insert into the Bill the planned safeguards for the use of this power. Therefore, regulations would require the Secretary of State to make an interim prohibition order only where he or she considers it necessary in the public interest to do so. The regulations would also require the Secretary of State to review the order every six months if the teacher concerned applies for such a review.

The teacher anonymity provisions in clause 13 are important and sensitive measures. They give teachers protection against the damage to their lives and careers that can result from pre-charge publicity about allegations made by pupils against them. They are one part of the Government's proposals to back teachers' authority in the classroom.

Kevin Brennan (Cardiff West) (Lab): Were the Government able to provide any further evidence in the Lords as to the prevalence of such allegations and what proportion of them were found to be malicious?

Mr Gibb: I thought the hon. Gentleman supported these proposals. He will be aware that the National Union of Teachers and the NASUWT have compiled figures on such allegations against teachers. The NUT estimates there are about 200 a year, and we gave evidence to the Lords of at least 15 cases in the last few years where there were damaging local reports and publicity about the allegations before charges were brought.

Kevin Brennan: The Minister is right that the Opposition have supported these proposals, but they must also be carefully scrutinised for any possible unforeseen consequences. That has been done very effectively in the Commons in Committee and also in the Lords. Is it correct that in the Lords the Government accepted that about 2% of such allegations had turned out to be malicious?

Mr Gibb: Yes, of course, but we are talking about the effect on individuals, and if there is just one case of someone suffering such publicity about what turns out to be a false allegation, that is one case too many, as such allegations can have devastating consequences on teachers both socially and career-wise. The publicity that just one such case receives also reverberates throughout the teaching profession, undermining teachers' morale and making them unduly cautious about maintaining discipline in our classrooms. If we are interested in the welfare of pupils in our schools, we have to make sure they are taught in ordered and safe environments, free from bullying and other disruptive activities.

I thought, however, that the hon. Gentleman was concerned in Committee less about the prevalence of such allegations and more about the question of whether these provisions should be extended to other sectors of the workforce. We have proceeded extremely cautiously, taking into account the fact that we must preserve press freedom as well as the integrity of teachers and their being innocent until proven otherwise.

Mr Graham Stuart (Beverley and Holderness) (Con): As my hon. Friend knows, I am sympathetic to the Government's intentions in this regard as well, but I am concerned about press freedom and I would be grateful if he could set out the case for teachers alone being given this exemption from publicity. Such allegations could be equally devastating to members of a different profession. Might this provision prove to be the thin end of the wedge in that there could be a great deal more press censorship and the public will not be able to know about allegations made against people in their local community?

Mr Gibb: My hon. Friend, the Chairman of the Education Committee, makes a good point, but teachers are very much on the front line of maintaining discipline in the classroom. We conducted a survey of 116 local authority designated officers—LADOs—and its findings support the view that teachers are particularly vulnerable to false allegations. Some 23% of allegations against staff in all sectors were made against teachers, and almost half of those were found to be unsubstantiated, malicious or unfounded. The proportion that related to other staff in schools was significantly low: from recollection I think that it was about 14%, compared with the 23% that applied to teachers.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Minister may recall that in the previous Parliament the Committee looked intensively at that very area, and I support much of what he says, but in that context we made a range of recommendations to ensure that teachers were protected from false allegations, and that head teachers knew what they were doing. Few head teachers confront the situation very often, but very often they suspend people unnecessarily and start the problem running in the first place. We recommended that a code of conduct should be at the heart of the change.

Mr Gibb: I agree with the hon. Gentleman and with the excellent work that he carried out when he was the Chairman of the Education and Skills Committee and the Children, Schools and Families Committee in the previous Parliament. We have looked at the whole process of investigating teachers when they are subject to such allegations, and we are changing the guidance so that there is not a default position of automatic suspension once an accusation is made. We have also been speaking to the Association of Chief Police Officers about the speed of investigations, because we cannot have teachers waiting months or years before allegations are investigated and settled. We want to speed up the process, to remove the automatic and default position of suspension and to enable teachers to continue to have a connection with the school during the course of any allegation, so that they do not feel isolated while the process is under way.

Mr Sheerman: Is it not a fact, however, that the current Chairman of the Education Committee might have a much rosier view of the British press than I do? Anyone who listened to Radio 4's "Today" programme this morning will have heard one of *The Sun* newspaper's most senior journalists say that there should be no reform of British press regulation. If the hon. Gentleman has that rosy view of the press, I certainly want to put it on the record that I do not share it.

Mr Gibb: I really do not want to intervene or interfere in this debate between two such august hon. Gentlemen, but we have been careful to tread warily between the two interests: the interest of protecting teachers from the full force of false allegations before they are proven or charges are brought, and from the publicity that might accompany them, and the important interest of protecting press freedom. We are treading cautiously, and that is why we have not extended the measure to other parts of the children's work force. We want to see how it works in the first instance before making any further decisions.

In Committee, the hon. Member for Cardiff West (Kevin Brennan) made the case for providing protection to groups other than teachers, but he accepted our cautious and targeted approach and suspected that the clause, even in its narrow form, might attract the close attention of, as he put it,

"people more erudite and noble than ourselves"—[*Official Report, Education Public Bill Committee,* 22 March 2011; c. 557.]

He has been proven correct, but I am pleased to say that the substance of the provision returns to the House intact and with three important improvements. First, through amendment 5, the clause now makes it clear that tentative allegations that a teacher may be guilty of an offence should be treated in the same way as firmer allegations that they are guilty. That was always our intention because even—or, indeed, especially—tentative allegations can have a damaging effect on the teachers involved.

Secondly, through amendment 7, the clause now makes it clear that a judge who is considering an application for reporting restrictions to be lifted should take account of the welfare of both the teacher who is the subject of the allegation and the pupil or pupils who are the alleged victims. We will ensure through amendment 11 that where a teacher decides to identify himself or herself publicly as the subject of an allegation, reporting restrictions are lifted altogether. It is right that if a teacher effectively waives their right to anonymity by, for instance, writing in a newspaper about an allegation, others can also join the public debate.

The noble Lords echoed this House's concern about clause 30, which would have removed schools and colleges from the duty to co-operate with local partners. My noble Friend Lord Hill met a number of peers during the summer to discuss the matter further and he then discussed the outcome of those conversations with me and the Secretary of State. We accept that retaining the duty would provide continuity while we implement the proposals of the Green Paper, "Support and aspiration: A new approach to special educational needs and disability." That point was made forcefully in Committee. In another place, Lord Hill introduced amendments 18, 19 and 42 to remove from the Bill clause 30 and the related clause 31.

Kevin Brennan: When we were in Committee, I recall the Minister saying that he regarded the duty to co-operate as an "unnecessary prescription" on schools—*[Interruption.]* Perhaps that is the Secretary of State ringing up his hon. Friend the hon. Member for Stroud (Neil Carmichael) to give him the answer. In Committee, the Minister also said:

"It is not appropriate to delay removing that burden"—

that unnecessary prescription—

from schools."—[*Official Report, Education Public Bill Committee,* 29 March 2011; c. 729.]

What points did Lord Hill make in the Lords that were different from those made in the Commons and how did that persuade the Minister to change his mind? Secondly, is this a temporary conversion or does he intend to remove the duty to co-operate at some further stage?

Mr Gibb: We were never against co-operation. It is very important that schools, academies and free schools continue to co-operate with other state bodies, locally and nationally, that affect children. That was our reason for removing the prescriptive duty. A number of changes are happening in relation to the Health and Social Care Bill and the SEN Green Paper and, having considered the matter further and reflected upon it, it is better to maintain the duty until deliberations over those measures are complete and until decisions about the SEN Green Paper have been taken.

Richard Fuller (Bedford) (Con): Although some of us are very focused on the duty of schools to co-operate with the local authority, some of us are focused on local authorities' duty to co-operate with academies and free schools. Will my hon. Friend advise me what in the Bill will enable us to be sure that local authorities provide the same extent of co-operation to free schools and academies as they do to maintained schools?

Mr Speaker: In responding to his hon. Friend, I know that the Minister will not wish to be led astray and that he will have at the forefront of his mind the fact that he should focus on the merits or otherwise not of the Bill as a whole, but of Lords amendment 1.

Mr Gibb: My hon. Friend makes an important point. Co-operation is important, whether it is with children's trust boards or from local authorities with other elements of the education world, such as free schools and academies. Local authorities that undermine or try to undermine the establishment of new schools that are demanded by parents in that local authority will find their opinions and actions challenged at election time. For a school to be approved by the Secretary of State as a new free school, it has to demonstrate parental demand. It is not in the interests of a local authority not to co-operate when a group of parents, a group of teachers or others are seeking to establish a free school in its area.

4 pm

I know that Labour Members wish to raise a particular concern about admissions, but I thought that it would be useful at this stage for me to explain changes made in the other place. Since we last met, the consultation on the revised admissions codes has closed. The new codes keep protections for those with special educational needs and vulnerable groups. We have expanded on this for children who were in public care—looked after—and have since been adopted. When they are adopted, they will retain their priority status in the admissions arrangements. We are also going to make things simpler for all parents by having a national offer day for primary schools.

The changes we are making on admissions are modest, and the changes made in the other place have been correspondingly so. First, under amendments 21 and 22, local authorities' annual reports will continue to go to the schools adjudicator in addition to being published locally. Secondly, under amendment 23, a new clause will allow anyone—absolutely anyone—to object to the adjudicator about school admission arrangements. This builds on our decision to bring complaints about admission arrangements at academies and free schools into the remit of the schools adjudicator—a popular move in this House when we last discussed it. My noble Friend Lord Hill made a further commitment that will be of interest to this House. In Committee, the hon. Member for Cardiff West expressed concern about the possible side effects on the admissions system of an increase in the number of academies, which set their own admission arrangements. Lord Hill has now made a commitment that the chief schools adjudicator will include consideration of this issue in her next annual report.

The provisions in clause 37 seek to give maintained school governing bodies greater freedom to appoint governors on the basis of their skills. When we discussed those provisions in Committee, I was persuaded, particularly by my hon. Friend the Member for North Cornwall (Dan Rogerson), that we should amend them to ensure a continuing role for a staff governor and a local authority governor on all maintained school governing bodies. Lords amendment 24 does precisely that. Of course, governing bodies will be free to appoint additional governors from among the staff of their school if they think that that will help them to work effectively.

In the other place, there was full discussion of the inspection clauses. That led to a number of changes, outside the Bill, to strengthen the proposed arrangements, including enhanced risk assessment procedures for schools and further education providers that will qualify them for exemption from routine inspection. We will debate in due course the Opposition amendments on parliamentary scrutiny of the regulations exempting institutions from inspections.

In relation to academies, the Bill retains important measures to facilitate—

Kevin Brennan: In the light of what the Prime Minister has said today about the dangers of schools coasting, is the Minister content, prior to the discussion of our amendment, that the Government's position on this will not make matters worse, given the potential for schools that have been found to be outstanding to coast and then not to be inspected, with it being difficult to trigger an inspection for them in future?

Mr Gibb: The Prime Minister made some very important points about coasting schools in his article in *The Daily Telegraph* today. We want to see standards rise throughout the education system. There has been a concentration on failing schools, but we must also concentrate on the schools in the leafy suburbs that are not challenging their pupils as well as they should. All schools will now be subject to our scrutiny to make sure that they raise standards. The new performance tables will identify how schools perform in relation to children of high academic ability, as well as how they perform in relation to children of a lower academic ability. We will reflect on some of the issues raised by the hon. Gentleman, but outstanding schools are, by their nature, not necessarily to be regarded as coasting if they have been graded by Ofsted as outstanding. The arrangements I talked about are to do with using risk assessment strategies to pick up on problems, even in outstanding schools. Those risk assessments are what will trigger Ofsted to carry out an inspection in an outstanding school.

Kevin Brennan: My concern is that the exemption from inspection is almost an invitation to coast. There is a danger of that. Does the Minister not accept that it might be worth cogitating on that a little further in the light of what the Prime Minister has said?

Mr Gibb: I am happy to think further about those issues. However, the point of the proposal is that it is difficult for schools to achieve from Ofsted the accolade of outstanding. I am sure that the hon. Gentleman and the hon. Member for Liverpool, West Derby (Stephen Twigg) have visited schools that are categorised by Ofsted as outstanding. It is clear why those schools have been so categorised. I was at a school last week in Wiltshire that had been categorised by Ofsted as outstanding in all 27 categories. I believe that it was the first school to be given such a grading.

Mr Graham Stuart: The Minister is absolutely right to have proportionate inspection. We need to be careful to ensure that outstanding schools that may end up coasting or dropping their standards are picked up. If the shadow Minister is suggesting that it would be a better policy to inspect every school, however outstanding, all the time, he is completely wrong. A proportionate approach with the right safeguards and triggers in place and with constant review of those triggers is the right way to go. The Government are right on this issue.

Mr Gibb: My hon. Friend is right that one has to be proportionate in these issues. Ultimately, this is a matter for the chief inspector of schools. If the results of an outstanding school start to decline, as was hinted at by the hon. Member for Cardiff West, it will be picked up in the risk assessment. He has made important points and we will, of course, reflect on them in the usual way.

Kevin Brennan: I will intervene one final time on this issue because I do not want to detain the House. The Chairman of the Select Committee knows that what he described was not what the Opposition proposed in Committee. We proposed triggers for inspection that would be appropriate for schools that had been ruled outstanding but may have slipped. Is that not exactly what the new chief inspector of schools, who was just appointed by the Government, has said in relation to checking whether outstanding schools remain outstanding? After all, when outstanding leaders leave outstanding schools, that can often lead to a big change in the performance of those institutions.

Mr Gibb: The hon. Gentleman makes a very good point. When a new head teacher comes into a school it can have important effects, and not necessarily beneficial ones if the school has been led by a very effective leader. That would be a risk assessment issue. I know that it is an issue that the new chief inspector, Sir Michael Wilshaw, is concerned about. We will reflect on those points in due course. The principle of having proportionate inspection and targeting the limited resources on schools that have the most pressing need is important. However, we must take it into account if a school that is graded as outstanding is not graded as outstanding in teaching, for instance.

Nic Dakin (Scunthorpe) (Lab): I agree with what the Minister and the shadow Minister say about proportionality in inspection. However, it is important that outstanding schools are inspected by Ofsted as part of the ongoing learning of other schools. I hope that the Minister will ensure that Ofsted continues to do that to spread good practice in the system.

Mr Gibb: The hon. Gentleman makes a very good point. Ofsted inspectors need to learn what an outstanding school looks like. That always was the case. Even when schools are exempted from inspection, inspectors will still see outstanding schools in themed inspections, which might look at how religious education or maths is taught. On those occasions, inspectors will still experience outstanding schools.

Mr David Ward (Bradford East) (LD): Does the Minister agree that the way to deal with coasting schools is not so much through the inspection process, but through the publication of contextual value added evidence from schools?

Mr Gibb: My hon. Friend makes an important point. Performance tables are an important piece of the jigsaw of measures that holds publicly funded schools to account. We are not going to pursue the contextual value added measure, because of its flaws, not least of which is the fact that it tends to entrench low expectations for certain sections of society, which we do not believe is right. All children, from all backgrounds, should be expected to reach the best of their academic ability at school, and schools should deliver a high quality of education to all young people. However, there are other important progress measures, such as how a child performs at the end of key stage 2 compared with how they perform in their GCSEs.

As I said earlier, in the performance tables to be published in January, we intend to have separate columns indicating how well a school performs in relation to children who enter secondary school with a level 5 at key stage 2 and those who enter with a level 3.

Mr Speaker: Order. May I say gently to the Minister that I know he is making full efforts to satisfy his audience, and in one sense that is appreciated—if this were a seminar it would be an extremely therapeutic and informative one—but it is important that we tend to the specifics of the amendments with which we are dealing. For the benefit of colleagues who might labour under a misapprehension to the contrary, this is not a Second Reading debate on coasting schools. We are attending to narrow and particular amendments, to the consideration of which I know the Minister will now return.

Mr Gibb: I am grateful for that ruling, Mr Speaker, and I will press on by turning to academies.

The Bill retains important measures to facilitate the Government's ambitious plan to extend the proven benefits of the academy programme to a much greater number of pupils. One of those measures is the extension of the academy model to alternative provision and the 16-to-19 sector. Lords amendments 72 to 81 are consequential on the creation of those new types of academy, and the Government tabled them in line with a commitment that I gave in Committee to put more such consequential amendments into the Bill. In addition, Lords amendment 89 reduces the reach of the powers given to the Secretary of State by schedule 14 in the case of private land leased to new academies.

In addition, three new clauses were added to the Bill in the other place, the first of which is in Lords amendment 34. Under section 6(2) of the Academies Act 2010, a local authority must cease to maintain—that is, cover all the costs of—a school once it converts to academy status. Some banks and local authorities have asked whether that prohibition on maintenance might prevent a local authority from making payments under private finance initiative or other contracts in relation to schools that have converted into academies.

Local authorities have always been able to use their own resources to provide assistance, including financial assistance, to academies, and to enter into contractual commitments and incur liabilities on their behalf. We are clear that their continuing to do those things would not have been prevented by the wording of section 6(2) of the Academies Act, and that was not the intention behind the Act. All academies are, and will continue to be, maintained by the Secretary of State under funding arrangements entered into under section 1 of that Act. Any assistance that local authorities provide to academies, whether financial or otherwise, will only ever be a proportion of the total expense of running an academy. Lords amendment 34 therefore confirms that local authorities can continue to make payments for academies under PFI and other contracts.

Richard Fuller: This is a slightly specific question, Mr Speaker, but it does relate to the Lords amendments.

[Richard Fuller]

In circumstances in which a local authority had already made an undertaking for capital provision to a federation of schools, and a school that was part of the federation wished to become an academy, would the local authority be able to advise that school's governors that they would no longer be entitled to the capital aid expenditure promised for schools in that pyramid? Could the local authority make that funding consequential upon a school staying maintained or moving to academy status, or do the Lords amendments prohibit that possibility?

Mr Gibb: I know what my hon. Friend refers to, but I would prefer to get the technical answer to his question absolutely right and will therefore write to him, so that he can be clear when he raises this issue with his local authority that he has a proper analysis of the legal position and not something that I have spoken from memory.

In response to concerns raised in Committee in the House of Lords, the Government introduced an amendment to give Ofqual the power to fine awarding organisations in certain circumstances. Our intention is to ensure that Ofqual has a full range of effective and proportionate powers to use to carry out its duties and responsibilities.

4.15 pm

Mr Graham Stuart: In the Lords, the Government accepted various amendments to limit the impact of such fines on global companies, which is welcome, but the measure was introduced with very little consultation. What is the evidence that we need fines to get awarding bodies to comply with Ofqual? What is the evidence that there is a problem to which fines provide an answer?

Mr Gibb: My hon. Friend will have seen over the summer some of the errors in the exams. They are unacceptable. We believe that the awarding organisations should not make the quantum and seriousness of those errors again. Other regulators have such powers, and if he bears with me, I will try to set out why we introduced those provisions.

The provisions in Lords amendments 16 and 17 are broadly consistent with the Regulatory Enforcement and Sanctions Act 2008. As many hon. Members will know, including my hon. Friend, the Act provides many other regulators with a toolkit of sanctions that are risk based, consistent, proportionate and effective. Ofqual currently has only two types of sanction available to it: the power to direct an awarding organisation; and the dramatic, nuclear option of partial or full withdrawal of recognition. In addition, before Ofqual can use its current enforcement powers, it must be the case that an awarding organisation's failure to comply with a condition has prejudiced, or is likely to prejudice, either the proper award of a qualification or students who might reasonably be expected to seek to obtain such a qualification awarded by that organisation.

The Government believe that those tests unnecessarily limit Ofqual's powers and could reduce its capacity to take timely and proportionate enforcement action. Removing the tests and giving Ofqual a power to fine will help to prevent the kind of mistakes in exam papers that we saw last summer, which undermine the hard work of the pupils who sat them. That is the purpose of Lords amendment 16, and Lords amendment 17 confers similar powers on Welsh Ministers as the regulators of Welsh qualifications.

Mr Stuart: I am grateful to the Minister for setting out the Government's thinking, but I am not entirely persuaded. The currency on which awarding bodies trade is their reputation. Notwithstanding the problems this summer, they needed no fine or massive regulatory hammer to bring them to book. All awarding bodies would immediately seek to improve their systems following such errors—I believe they did so. It feels as if we are introducing sanctions that are unnecessary for the workings of that market. The Government have pledged to eschew unnecessary regulations unless there is an overwhelming case, but I am not sure that the errors last summer make that overwhelming case.

Mr Gibb: I must disagree with my hon. Friend, because the seriousness of the errors was not just in their number—I believe there were 13 errors in exam papers this summer. What was particularly serious was the fact that when we asked awarding bodies to check that there were no further errors, they affirmed that they had done so or that they would do so, but then new errors appeared. That is why what happened this summer was so serious rather than the initial errors in the papers.

On reputation and the market, all the main awarding bodies had errors, so there is no market mechanism—no one of them could say, "We had no errors but the others did." My third argument is that all regulators have such powers. We cannot rely on the nuclear option of ending accreditation.

Damian Hinds (East Hampshire) (Con): There are considerable costs for schools when they switch from one awarding body to another. Does my hon. Friend therefore agree that the idea of a market operating in the normal way does not quite apply?

Mr Gibb: My hon. Friend is right. All kinds of other factors will determine which awarding organisations schools use and why, and there is a "stickiness" compared with the fluidity that might exist in another market situation.

Lords amendment 37 would give the Secretary of State the power to pilot the use of direct payments in education for children with special educational needs. In the Green Paper on special educational needs and disability, we committed to give every child with a statement of SEN or a new education, health and care plan the option of a personal budget by 2014. One element of a personal budget can be a direct payment to a family to buy support for their child. Direct payments are already being used in health and social care, and we want to test how the greater choice and control they give to families can be effectively achieved in education too.

With those brief remarks, I commend the Bill and these amendments to the House.

Kevin Brennan: In this debate on Lords amendment 1 and all the amendments that it is highly convenient—for the Government, anyway—to group with it, I note that the Bill returns to us from the Lords without any non-Government amendments. Perhaps that is a reflection of changing times and the new, rigid hegemony in the other place, whereby amendments are rarely passed there without the Government's say-so.

Mr Gibb: I thought that the hon. Gentleman might be a little more generous about the powers of persuasion of my hon. Friend Lord Hill.

Kevin Brennan: I was indeed going to be generous—about the powers of persuasion of our Front Benchers in the House of Lords. They persuaded the Government—more effectively than my hon. Friends and I in the Commons did—to change their mind on one or two issues, which I shall come to in a moment.

The Minister has taken the trouble to talk us through the Lords amendments, as he said he would, but some questions emerge from what he said that, if he has the leave of the House to speak later in the debate, I hope he will answer. Lords amendments 1 to 4 relate to clause 8 and the Secretary of State's functions in relation to teachers. The Bill abolishes the General Teaching Council for England. I note that some criticisms have been made of its operations. One year after the publication of the White Paper, "The Importance of Teaching", in which the Secretary of State said—I agree with him about this—that there was

> "no calling more noble, no profession more vital and no service more important than teaching,"

it is significant that he has taken the opportunity to abolish the professional body.

The Bill transfers some of the General Teaching Council's functions to the Secretary of State, among which is the power to prohibit a teacher from teaching. In Committee in this House, we debated an Opposition amendment—which, surprisingly, was not successful—that would have required the Secretary of State to keep a list of persons prohibited from teaching. I note that Lord Hill confirmed in the other place that the Government believe that a database of teachers prohibited from teaching will be established. We tabled amendments here and in the other place to require the Secretary of State to keep a register of qualified teachers—again, to our surprise, without success—but Lord Hill indicated that he would consider the matter, saying,

> "we have been persuaded by concerns raised in this House and elsewhere that there is a genuine need for the Government to help schools to know who has qualified teacher status and who has passed induction."—[*Official Report, House of Lords,* 18 October 2011; Vol. 731, c. 257.]

That is welcome. He went on to confirm that there would be an online database from 2012.

Another concern is the proposal to give employers discretion over which cases of misconduct—those that might lead to the prohibition of a teacher—to refer to the Secretary of State. Again, colleagues in both Houses raised concerns about transparency and consistency. I welcome Lord Hill's notification to Baroness Jones that the Government are developing advice on the new system to help professional conduct hearing panels determine when a teacher should be prohibited from the profession and that such advice will be available publicly.

Lords amendments 1 to 4 would enable the Secretary of State to issue interim prohibition orders—quickly imposed orders that prevent a teacher from undertaking work while the Secretary of State is considering their case—where he considers it in the public interest to do so, and they must be reviewed every six months. The amendments were tabled in Grand Committee in the House of Lords, but I do not think they were debated there. Their rationale was not given, so when the Minister replies he might like to emphasise what the rationale was, what the amendments will achieve, why they are so important and perhaps why they were not included in the first draft.

Lords amendments 5 to 15 relate to restrictions on the reporting of alleged offences by teachers, about which we had an exchange earlier. We have supported the Government's intention to help protect teachers from malicious allegations, but we have also been keen to ensure that the provisions are properly scrutinised, as there is a possibility of unintended consequences.

The Lords amendments would extend the reach of clause 13 to cover tentative allegations against teachers. As the Minister rightly pointed out, following advice from the trade unions and others, we argued that the clause's reach could be extended so that the restrictions apply not only to teachers in schools but to other school staff. The Chair of the Select Committee, the hon. Member for Beverley and Holderness (Mr Stuart)—I am sure it is only a matter of time before he becomes a right hon. Gentleman—mentioned this earlier. In our view, other school staff and staff in further education colleges should be included. The impact of a publicly reported unproven allegation, which the Minister eloquently described, applies to those people, too, and is potentially equally damaging. I understand the Government's general desire to limit the number of people on whom the provisions will have an impact, but I do not understand why teachers in FE colleges should not be covered when teachers dealing with young people of the same age group in sixth forms—quite possibly teaching exactly the same subjects—are covered. This seems to be an inconsistency in the Bill.

I note what the Minister said about extending the provisions to cover tentative allegations. I make it clear that we do not object to that, but we ask him to be absolutely clear about his motives for including the amendments at this stage. Does he have any further thoughts on the desirability of extending the scope to include non-teaching staff and all staff in FE colleges? If he has any compelling reasons why those staff should be excluded, we would like to hear them. Having listened to him earlier, I am not sure what his evidence is for excluding these staff from the scope of the provisions. I understand why he might want to limit the number of people covered—perhaps that is why he has put a ring fence around teachers—but I do not understand the rationale for failing to include the other staff.

Mr Graham Stuart: The hon. Gentleman talks about extending the provision to other staff in schools. Do he and his party believe that it should be extended further to other workers? For example, a social worker dealing with children at risk could be equally devastated by publicity surrounding allegations against them—

Mr Speaker: Order. The disadvantage of the hon. Gentleman's intervention was that, interesting though it was, it bore no relation to the amendment we are discussing.

4.30 pm

Kevin Brennan: As always, the hon. Gentleman makes a thoughtful point but, as you have confirmed, Mr Speaker, it unfortunately falls outside the scope of the Bill.

Lords amendments 16 and 17 deal with Ofqual's enforcement powers, which the Minister mentioned earlier. The Labour Government began the reform of the examination system in 2007 with the "Confidence in Standards" White Paper. It proposed the establishment of an independent regulator, Ofqual, which would be separate from the Qualifications and Curriculum Development Agency and would be able to fine exam bodies. Currently, the Apprenticeships, Skills, Children and Learning Act 2009 allows Ofqual only to direct an examination board to change its practices and, as the Minister said, to withdraw recognition.

I agree that it would be helpful for Ofqual to have more sanctions at its disposal to ensure that examination boards minimise their errors, but to an extent I share the concern expressed by the hon. Member for Beverley and Holderness. This proposal has appeared at a late stage. I know that Christmas is approaching, but, as I am sure the Government Whips will confirm, using Bills as Christmas trees on which to hang whatever a Government wish to hang on them is not always a good way of legislating, and I had thought the Government had pledged not to do that.

Mr Stuart: As I debated the abolition of independent schools only a couple of weeks ago with the hon. Gentleman, who supported the motion, it is a pleasure to find something on which we can agree. He is right: we need to hear more from the Government to justify the measure. It is like the Dangerous Dogs Act 1991. Legislating instantly following an incident in the summer, rather than checking and thinking through the principles behind the proposed legislation, could be a mistake.

Kevin Brennan: Let us hope that this will not be another Dangerous Dogs Act.

I am not going to suggest that Labour has not been guilty in the past of hanging proposals on to Bills as they progress through Parliament, and, as a former Government Whip, I am not going to suggest that I have not occasionally tried to lecture Ministers about the practice, but it often causes problems further down the line. We can understand how it happens.

On 22 June 2011, a newspaper headline announced "Cameron promises 'tough action' over GCSE and A-level exam blunders", and a sub-headline added "Prime minister says mistakes are unacceptable and assures Ofqual will rectify system to prevent further errors". That was converted into a panic in Government, which rippled into the Department for Education, and the Secretary of State said that the Prime Minister was exercised about the issue. "What can we do? Oh, we have a Bill going through Parliament: perhaps we can dream up a few clauses to put into it. Wasn't there a proposal at some stage to introduce fines? Let us use that: it is already half written." However, the proposal was never properly scrutinised. It should have been subjected to proper pre-legislative scrutiny.

As I have said, we are not going to oppose the amendments, but I want to record our concern that something that the Government said they would not do is happening now, before our very eyes.

Mr Gibb: As the hon. Gentleman will know, the previous Administration, of which he was part, considered extending the fining power to Ofqual. Indeed, Kathleen Tattersall lobbied Members of Parliament for it to be introduced during the Committee stage of the Apprenticeships, Skills, Children and Learning Bill before the election. Ofqual will launch a consultation when it begins to set out the circumstances in which the new power will be used, and the consultation will last 12 weeks in the normal way.

Kevin Brennan: Not only am I aware of that, but I actually said about two minutes ago that it had originally been in the White Paper that the Labour Government introduced. That does not alter the fact that had the Government intended to do this, they could have consulted on it originally, rather than hang it as a bauble on a Christmas tree Bill and react to newspaper headlines. It seems that these proposals have been rushed. I welcome the fact that there is to be a proper consultation, but consultations should happen before proposals are enacted rather than after.

Lords amendments 18 and 19 remove clauses 30 and 31, which repeal the duties to co-operate with a local authority and to have regard to the children and young people's plans. We welcome the Government's support for reinstating the duty to co-operate by removing clauses 30 and 31. Labour Members on the Public Bill Committee voted that clause 30 should not stand part of the Bill, but Government Members defeated us. Baroness Hughes co-signed the amendments to leave out clauses 30 and 31, so we strongly support their removal. Had they remained part of the Bill, the Government would be putting the reduction of alleged bureaucracy ahead of the safeguarding needs of some of our most vulnerable children. In their professed zeal for cutting as many processes, systems and guidance as possible, the Government were in danger of throwing out things that raise standards and improve safeguards for our children. These duties are examples of the latter.

As I said in an intervention, in Committee the Minister characterised the duty to co-operate as an unnecessary prescription and went on to say that it was not appropriate to delay the removal of that burden on schools. In the Lords, Lord Laming spoke eloquently and convincingly to expose the irresponsibility of the Government's position:

> "In every inquiry that has followed a tragedy to a child with which I am familiar, two key messages have permeated every report like the lettering through a stick of rock. The first is that in future each service, including education, must greatly fulfil its particular responsibilities to promote the safety and well-being of each child. The second is that each service must develop the skills to work successfully across organisational boundaries and share information at an early stage."—[*Official Report, House of Lords,* 30 June 2011; Vol. 728, c. GC268.]

I can understand why the Government might have listened to Lord Laming more readily than they listened to us in the Commons, but they were fully aware of the views of Lord Laming and others on these matters.

Lord Laming went on to say:

> "The development of children's plans and children's trusts under the Children Act 2004 were designed specifically to place the well-being and the promotion of care of children in this wider context. In the letter which the Minister sent to me, he said that the Bill simply reverts to the earlier position."—[*Official Report, House of Lords,* 30 June 2011; Vol. 728, c. GC268-269.]

So that was what the Government wanted to do: to revert to the earlier position—the one pre-Laming—using this Bill. By including these clauses, they originally showed their disdain for the services and processes that have since been put in place to keep our children safe. It is abhorrent that any Government, not least one who said at one time that they wanted to be the most family friendly ever, should be willing to risk the safety of our vulnerable children just so that they can reduce prescription.

I am glad that the Government have got it, albeit late in the day, but I am concerned that this is a temporary change of mind. I was not assured by what the Minister said in reply to my intervention, because Lord Hill's letter to Baroness Hughes on 12 October said:

> "We are persuaded that the duty in itself provides schools, colleges and others with sufficient freedom to determine the arrangements that work best for them".

In a letter of 6 October 2011 to Baroness Hughes, he said that the reason for the Government's change of mind was that this was a temporary measure while they worked through how to achieve better collaboration in the planning, commissioning and delivery of services.

I welcome the Lords amendments, but we want to strengthen them slightly. We have tabled an amendment that would ensure that schools must in all cases have regard to children and young people's plans created by children's trust boards, whether or not they are made under section 17 of the Children Act 2004. I should like an assurance from the Minister. Are the Government committed long term to a wide-ranging, overarching duty on schools to co-operate with local authorities and other local partners, which include health and police bodies, to promote the well-being of children? Is that a long-term commitment of the Government, or do they intend to water down or attempt once again to abolish the duty in the future?

Mr Gibb: Perhaps I can help the hon. Gentleman by quoting my noble Friend Lord Hill, who said in another place that he accepted the point made by our noble Friend Lady Walmsley that

> "at a time when the Government have recently announced pathfinders to test and work through our SEN Green Paper proposals, which seek to encourage greater partnership working, we should not risk sending…any confusing messages about the importance of partnerships. I took their advice and decided that the simplest thing to do was to delete the relevant clauses."—[*Official Report, House of Lords,* 24 October 2011; Vol. 731, c. 634.]

Kevin Brennan: The interesting thing is that one reason why the Government became confused or were in danger of sending out confusing messages was the interminable delay in the publication of the Green Paper on SEN, which we were promised well before the consideration of the Bill in Committee and which finally turned up extremely late. Had it been published on time, perhaps the Government would not have been in danger of sending out confused messages, but I simply reiterate that we are concerned that the Government do not appear to have a long-term commitment to give schools an overarching duty to co-operate. We await confirmation from the Government that they believe that such an overarching duty to co-operate is important and should be retained in the long term.

Labour's amendment (a) to Lords amendment 19 would require maintained schools to have regard to children and young people's plans produced by children's trust boards whether or not that is prescribed in regulations made by the Secretary of State. We voted in the Commons that clause 30 should not stand part of the Bill. Our amendment to delete clause 31 and insert another clause is intended to extend that opportunity for that omission to be retained.

The Government's suggested changes to the law on the arrangements to admit pupils to school have been debated throughout the Bill's passage through Parliament. On two occasions—on Report in the Commons and Lords—the Government have introduced amendments that have responded to some if not all the points made by the Opposition. The whole point about admissions is fairness and how we can have a system that gives children fair access to local schools in accordance with their parents' wishes. In the centrally managed schools system that the Government are creating, it is regrettable that the Government have resisted placing a clear and unequivocal duty on the Secretary of State to work towards fair access to education.

We welcome the reinstatement of the duty on local authorities to send reports to the adjudicator, which is the effect of amendments 21 and 22. The fact that the reports will not now receive the special treatment for such reports, which is removed by amendment 20, is regrettable, although I hope that it does not lessen their importance and that the contents will still receive the full attention of the adjudicator. I trust that that is what will happen.

4.45 pm

A greater problem is the evidence that the reports contain about local authority action to ensure that admission arrangements are compliant with the law and the admissions code. The chief adjudicator himself has been lukewarm about the quality of such local authority reports, indicating that local authorities have been happy to confirm that admissions arrangements are code-compliant when, after investigation by the adjudicator, that has been found not to be the case. He noted in his recent annual report:

> "If LAs are truly going to focus on being the champions of children and parents, then they really must put more effort into their 'policing' role."

The amendments, which collectively allow anybody to refer admissions arrangements to the adjudicator, are welcome, although that will be subject to regulations.

There is one area where we believe we can improve on the Lords amendments, in particular amendment 23 and new subsection (7) on objections to admissions arrangements. The subsection adds

> "any other person or body"

to the list of persons who must comply with a binding decision, which will include the objector. It does not state the time in which the admissions arrangements must be made compliant. This was debated on Report in the Commons when the Schools Minister seemed interested in the idea of quick compliance, although he described the Labour proposals at that time as

> "a mere two weeks' grace"

in which to allow schools the freedom to implement decisions. The Minister noted:

> "Admissions policies must be locally consulted on for at least eight weeks to allow all parties to consider proposals or amendments"—[*Official Report*, 11 May 2011; Vol. 527, c. 1236-7.]

However, surely there cannot be any need for consultation where there is a straight matter of making the admissions arrangements comply with the law and the admissions code.

The draft code and regulations that were published last week seem to confirm that the Minister wishes to allow schools to take as long as they want to ensure compliance with a binding judgment. We believe that justice delayed is justice denied, so our amendment to Lords amendment 23 is about the timely righting of wrongs for the benefit of parents and children.

Richard Fuller: On the hon. Gentleman's observations on Lords amendments regarding schools admissions policies, one of the objections put about by some of those who oppose free schools and academies is their fear that admissions policies will somehow be discriminatory. Will the hon. Gentleman take this opportunity to confirm that the amendments suggested by the Lords put to bed that lie?

Kevin Brennan: The Government made it clear during the Commons stage that they wished the academies to be subject to the admissions code. We welcomed that at the time and I am happy to welcome it now, because any state school should have a fair admissions policy. Any school funded by the taxpayer should admit pupils on a fair basis in accordance with the code. We therefore welcome the extension of the code to academies and the clarification of that by the Government, rather than relying on funding agreements in order to achieve that.

One of the innovations of the Bill that we debated is the change to the powers of the schools adjudicator. Currently, when an admissions authority is found to be in breach of the code, the adjudicator can rectify any flaws with immediate effect, but following the passage of the Bill, the adjudicator will be able to make only "binding" decisions, which the admissions authority will be obliged to implement. Ministers have already made it clear that the purpose of that change is to emphasise the importance of schools taking responsibility for their own actions, but it should not allow them the scope to avoid those responsibilities or to frustrate parents who have made a successful complaint and have a legitimate expectation that matters will be put right promptly.

The draft version of the admissions code was pretty clear. Paragraph 3.1 stated:

> "The admission authority **must** revise their admission arrangements immediately to give effect to the Adjudicator's decision."

That was the original version of the code issued by the Minister, which was pretty clear and unambiguous, as it should be. However, I was dismayed to read in the revised version of the draft code, published 10 days ago, that paragraph 3.1 has been changed. It now states:

> "The admission authority must where necessary revise their admission arrangements as quickly as possible and no later than **15 April** following the decisions (i.e. the deadline for determination of admission arrangements) to give effect to the Adjudicator's decision."

It is not clear from reading out those two sentences, but there is an important difference in their visual presentation. In the first sentence the word "must" is rendered in bold, whereas in the second sentence it is in plain text and "15 April" appears in bold. The proper sense of urgency and compulsion seems to have been replaced by one of contingency and delay. Although the second sentence states "as quickly as possible", which is a weaker statement, the eye is drawn to "15 April". Bearing in mind that the deadline for objections has been brought forward by a month to 30 June—a sensible change that we support—that means that there could be a delay of 10 months or more before a decision is implemented, which is simply unacceptable.

It is not necessarily for the legislation or the new code to undermine the effectiveness of the office of the adjudicator in a wholly unnecessary attempt to provide for circumstances that have not proved problematic under previous arrangements, so our amendment would put it beyond doubt that, where changes are required in response to valid objections, they must be implemented in time to benefit those who made them.

On constituting governing bodies, to which the Minister referred, it might be helpful if he offered some clarification. Our amendment was intended to make it absolutely clear what the Government's amendments mean in relation to staff on governing bodies. In Committee, the Minister said:

> "I am cautious about prescribing centrally the basis on which governing bodies should appoint people."—[*Official Report, Education Public Bill Committee,* 31 March 2011; c. 811.]

Having had time to consider the matter, the Government and the Minister appear to have changed their minds completely. If that is the case, we welcome it. Will the Minister confirm that he now thinks that more than one member of staff could be a member of a governing body, which might help us in relation to our amendment? If he does so now, he might not need to later.

Mr Gibb: I am happy to confirm that we want to reduce the amount of prescription on how to constitute a governing body. After deliberation and discussions with Members of this House and in another place, we have said that we will prescribe one staff member and one local authority representative, but that does not remove the discretion of governing bodies to appoint others; it is merely stating that there should be one staff member and one local authority member.

Kevin Brennan: That is extremely helpful. The Minister's words will probably satisfy us so that we need not press that amendment to a vote later.

The chief inspector and the question of whether schools can be exempted from inspection were the subject of our earlier debate and of some interventions by me, the Chair of the Education Committee and my hon. Friend the Member for Scunthorpe (Nic Dakin), who is no longer in his place—I almost said Grimsby, but it is important to get the right part of Lincolnshire. Those remarks, and what the Prime Minister said earlier today about coasting schools, bring the issue more clearly into focus. As it stands, the clause removes the requirement for Ofsted—in other words, the chief inspector—to inspect and issue a report on each school in England, at a frequency set out in regulations, that rates the overall quality of the school and sets out its areas for improvement. Clause 41 will have a similar effect on further education institutions, which will be debated in the second group of amendments.

In effect, the provisions would exempt certain schools from section 5 inspections. Furthermore, the exemption would not be for a fixed number of years, and neither would a school be exempt only until something indicated that standards needed to be re-checked, such as a complaint from parents or pupils, a change of head, or concern being expressed by the local authority. It is possible that, under the clause, some schools could be exempt from inspections almost in perpetuity unless they wanted to pay for one.

It was pointed out earlier that a school could still be inspected under the chief inspector's programme of surveys of curriculum subjects and thematic reviews, during which time the chief inspector may elect to treat the inspection as a partial section 5 inspection. However, that does not mean that every school would be inspected—far from it. In the case of the curriculum and thematic reviews, only parts of the school's performance would be looked at.

The Prime Minister said earlier today that he was concerned that comprehensives in wealthy villages and market towns were sometimes coasting, although I do not know why he picked out comprehensives; that could apply equally to grammar schools in some parts of the country. He said that the fact that their

"respectable results and a decent local reputation"

hid the fact that their pupils could be performing much better. We know how quickly schools can move, for a variety of reasons, from being outstanding to what the Prime Minister describes as "coasting". The Opposition's proposals to provide more triggers for inspections when real concerns arise should have been accepted by the Government.

When Sir Michael Wilshaw gave evidence to the Select Committee on 1 November 2011, during his pre-appointment hearing before taking on his role as the new chief inspector of Ofsted, he said:

> "Ofsted is about raising standards and it seems to me that there are only two levers for raising standards; one is Government and regulation, and the other is Ofsted."

He later went on to correct himself, saying that he meant "two main levers", stating:

> "In terms of accountability, Government and Ofsted are the two main levers."

In relation to the amendments, will the Minister tell us whether he agrees with the new chief inspector of schools in that regard?

Damian Hinds: Does the hon. Gentleman agree that the theoretical possibility of a school not being inspected for a very long time is not at all the same as that being likely? Does he also accept that the total basket of performance indicators that will be available under the new system will give much more richness, and a greater ability to identify the appropriate times to make such interventions?

Kevin Brennan: There are lots of indicators now, but we need triggers to make inspections happen at the appropriate time. We have sought to achieve that throughout the Bill. Given the seriousness of the step that the Government are taking, and the lack of consultation on this proposal, it should at least be the subject of the affirmative resolution procedure the first time that it is put in place. To that effect, we have tabled amendment (a) and the related amendment (b) to Lords amendment 27. We feel very strongly that if the Secretary of State is not going to provide us with any more triggers at this stage, he should at least have to come forward with an affirmative resolution the first time such a provision is enacted. We also think there should be a time limit on the provision. Amendment (b) to Lords amendment 27 would mean that exemptions could hold for only seven years, so the Government would be required to renew regulations at least every seven years.

5 pm

I do not want to detain the House for much longer, but let me make a few quick points about some of the other amendments that the Government made in the Lords, particularly regarding direct payments for persons with special educational needs. On Lords amendment 37, which inserts measures after clause 71, can the Minister explain why the Government are bringing in direct payments in that way? We are generally supportive of the approach, but will he set out how parents can be helped to navigate the system and make the best choices for their children's needs? Can he guarantee that the introduction of direct payments is not a smokescreen for cuts in services to persons and pupils with SEN? There is a great deal of concern across the House about making sure that pupils and young people with SEN are protected and that direct payments are not used as a smokescreen for cuts when they are introduced.

On academies and issues relating to land, some of the amendments show the complexities of land issues in education. No doubt, the Government will have to amend the legislation in a year or so as more problems are thrown up, especially with the conversion policy, as more and more land that has hitherto been owned or managed for an institution that was established by a local authority is transferred out of public ownership and management. It is likely that where public resources have gone into developing and enhancing land, resources might fall permanently into the private sector. In effect, amendments 89 to 91 seem to mean that if an academy is established on private land, any public money that goes into the land or buildings on the land will remain in the private sector. Will the Minister confirm whether that interpretation is correct and will he explain to the House the effect of those amendments and why they are being introduced? Will he also explain the complexities regarding private finance initiatives and academies?

Mr Graham Stuart: It is a pleasure to participate in the debate and to see so many members of the Bill Committee present. I know that a lot of effort has gone into improving the Bill and I am delighted that their noble lordships have made many constructive contributions. I am also delighted that Ministers have been prepared to listen—as, to be fair, they have throughout the process—and have made amendments accordingly.

One issue that I raised in Committee concerned schools' discretionary referral of teachers who have been sacked for misconduct. In the other place, Lord Hill said that we could be assured that all the most serious cases would be referred, and I would be grateful if the Minister could help me to understand how that will necessarily be the case if discretion lies with the school. I am happy to take an intervention now if he is able to give me that information, but if he is not I shall move on.

[Mr Graham Stuart]

Interim immediate barring orders will be in the hands of the Secretary of State for cases in which the concern is sufficiently great, and where someone can be referred, we are talking about a great sanction. Such sanctions are probably appropriate for teachers who have been, or who are suspected of having been, guilty of gross misconduct, but how do we ensure consistency? One can imagine a case in which two teachers have behaved in exactly the same way but in which one of them is let go by the school and that is it—they go off and their CV is doubtless marked and harmed but fundamentally they can carry on with their career—whereas another is referred upwards into the national machinery, which Ministers themselves accept is cumbersome and comes with heavy sanction. I am not yet entirely satisfied that there will be justice and equality of treatment in such circumstances, and I ask the Minister to respond to that point later.

In respect of reporting restrictions, the shadow schools Minister is right to say that all of us who have focused on the provision have worried about its possible unintended consequences. We all recognise the vulnerability of teachers to malicious allegations, which can spread from chatter around the school yard to chatter around the community. If an allegation is formally made and appears in a newspaper, that can have a devastating effect on a teacher who might have dedicated their life to supporting and educating young people. All Committee members, and everyone to whom I have spoken on this issue, sympathise with the Government's approach, but questions remain. The Newspaper Society submission may not have caused my views to undergo a complete U-turn, but it raised a lot of questions as to where this protection should stop. The Opposition suggested it should be extended to other teachers, and I have mentioned social workers. I have yet to grasp the point of principle that justifies limiting this provision to teachers alone, rather than its covering many other professions as well, which might result in the public losing their right to know what is going on.

Dan Rogerson (North Cornwall) (LD): Does my hon. Friend agree that even if such allegations are not reported in the media, they may get out into the community and may influence head teachers when they make decisions about appointments? The operation of these provisions will therefore need to be examined after they are put in place.

Mr Stuart: I agree that we will have to keep a close eye on the provision, but I hope it does the job it is intended to do in a fair and just way, and we can give Ministers a great deal of credit for having listened to the debate in the Lords and for having come forward with amendments to ensure that it does, indeed, work in the fairest possible way.

In respect of exemptions, there is an anomaly which I highlighted through an amendment in Committee. Further education lecturers and teachers in sixth-form colleges, who come under the same administrative banding of FE for these purposes, do not receive the same level of protection as schoolteachers. To reiterate the point made by the shadow Minister, a lecturer and a schoolteacher might be teaching the same people the same subject in the same kind of classroom, yet the lecturer will not have this protection while the schoolteacher will.

Kevin Brennan: Further, a school student might be attending an FE college as part of their school sixth-form studies, and the regulations would be different in those two institutions.

Mr Stuart: Yes, and Alison Wolf suggested in her report that more 14 to 16-year-olds should attend FE colleges, so this provision would affect them as well as 17 to 18-year-olds, for whom the provision might be less relevant. I hope Ministers will think about this anomaly and find a way of equalising the situation.

The Government make what seems like a very reasonable case on strengthening Ofqual's enforcement powers. Ofqual does not have as wide-ranging powers as other regulators, and there is a very quick step from its making requirements on awarding bodies to the nuclear option of removing their ability to provide awards at all. It therefore seems reasonable to have more moderate powers in the middle, such as the power to make fines, but this Government are committed not to following such easy logic unless there is a very strong—nay, an overwhelming—case for giving new powers to some non-governmental, unelected quango, such as Ofqual, so in an intervention I asked the Minister to make the case. He made a brave effort, as he always does, being a highly esteemed colleague and an excellent schools Minister, but he really did not make the case.

We did not hear about the number of times that awarding bodies have deliberately flouted Ofqual's requirements—that OCR, when required to do something by Ofqual, just ignored it, left it as long as possible and did it only if it felt like it; or that the lack of anything other than a nuclear button meant that OCR did not want to comply.

Following this summer's examination paper errors fiasco, no one was more embarrassed and determined to put it right than the awarding bodies. They collectively and individually felt that it was embarrassing, and they wanted to put it right as quickly as they could. The numbers were somewhat higher than in previous years, but the attention paid to them this year was rather greater than the increase in problems, and I know at least one case in which there was only one error in 100,000 questions.

I want to see all such errors eliminated and to know that those bodies are straining every sinew to put the situation right, but I am not yet convinced that a fining regime, however conveniently it may fulfil the Prime Minister's promise to do something about the situation, is the right approach.

Mr Gibb *rose—*

Damian Hinds *rose—*

Mr Stuart: I give way to the Minister.

Mr Gibb: The measure is about incentives. If a not-for-profit or commercial operation seeks to ensure that there are no errors, the exponential cost of ensuring that there are zero errors is a cost to that organisation, so the fining powers provide an equal and opposite cost to the organisations that do not incur those costs to do their best to eliminate errors. That is the purpose of the fining provisions.

Mr Stuart: I am grateful to the Minister for that comment. Perhaps he did mean what he just said, and it may be possible to create an examinations regime in which there are zero—no—mistakes, but the cost of examinations, which this Government inherited from the previous one, is already entirely outwith the value that those qualifications bring to this country. Our system is already over-reliant on examinations, and aspiring to zero errors—ever, in any examination question—will have a deleterious impact on their quality.

Awarding bodies may seek to change the questions that they ask to make it less likely that they ever include an error, and, if the measure suggests that it is unacceptable for them ever to include an error in any examination question, it will be extraordinarily expensive and impact in all sorts of unintended ways.

As Chairman of the Education Committee, I am not yet convinced that awarding bodies are so careless of quality, whatever the errors this summer, that we need such an incentive to make them improve. We need a balanced and proportionate approach, but I fear that the Minister's words, suggesting that there should be zero errors ever, will lead to something quite different.

Damian Hinds: I wonder what level of error Japan, or the other strongest education systems in the world, are targeting. However, notwithstanding my hon. Friend's point about the relatively small number of errors in this country, I wonder also whether he agrees that following those errors there is a problem with public confidence in examining bodies, and that, when it comes to qualifications, trust and confidence are absolutely all.

Mr Stuart: My hon. Friend makes my point for me: public confidence, particularly as far as a political party in power and a Prime Minister who wants to be seen to be doing something are concerned, is all, so they have come forward, as the previous Government did all too often, with a legislative response to something that needs no such response, and on the basis of no proper or considered analysis of the situation. We had 13 years of vast increase in legislative provision, but very little increase in public confidence, so I say, "Don't stick it in a law because it looks good in this week's papers; actually think for the long term." If we had done so, we might not have introduced this provision.

Richard Fuller: Many of us have strained to have zero errors in exams. I note you achieved that on many occasions, Mr Deputy Speaker, but it is a strain for the rest of us. We therefore understand the difficulties faced by the bodies that are setting exams in reaching that accomplishment. However, I am listening intently to my hon. Friend. Does he agree that the Lords amendments could have an inverse consequence? If we set a cost for the errors made, we will essentially replace a self-correcting mechanism whereby bodies seek to achieve the highest levels because of the risk to their reputation, with a mechanism whereby the errors made are considered to be a part of the cost of doing business. That stick will end up with someone saying, "Well, if we make three or four errors, we can afford it—we'll get away with it." However, nothing can reimburse an organisation that has lost its reputation.

5.15 pm

Mr Stuart: I am grateful to my hon. Friend for making my point both more succinctly and fluently that I was.

The Government may not necessarily be wrong, but we have not heard the argument. There are many awarding bodies in this country, and perhaps some have flouted and ignored Ofqual's requirements because they can afford to do so as a cost of doing business. If there is such a case, we need to introduce the sanctions to bring those bodies into line and ensure that public confidence and quality is delivered. However, I have not heard that argument; I have only heard arguments about public confidence. As I say, that does not seem a good reason to legislate.

The explanatory notes state:

> "Subsection (5) of the new clause would insert into ASCLA 2009"—

the Apprenticeships, Skills, Children and Learning Act—

> "new sections 152A to 152C which confer on Ofqual the power to require a recognised body on which a sanction has been imposed to pay the costs incurred by Ofqual in relation to imposing the sanction."

So those bodies have to pay not only the sanction, but the costs related to the sanction. I may be a bit of a cynic about quangos, but if they see a way of buttressing their income, their number of employees and their powers, and they can get someone else to pay for it, I suggest that they will be more inclined to go down that road. I do not want such bodies doing overstretch.

The explanatory notes go on to state:

> "The costs concerned would include the costs of carrying out an investigation"—

ooh! you can't be too careful there—and doubtless those bodies would want to get quite a lot of people involved. The explanatory notes then refer to "relevant administration costs"—load on a bit more for that—

> "and the costs of obtaining expert advice."

This is an open, blank cheque to Ofqual to impose charges on awarding bodies if it sees fit to do so. Personally, I would like non-elected quangos kept on a fairly strict and short rein unless it is appropriate to do otherwise.

Richard Fuller: My hon. Friend has already alerted the House to the risk that the Lords amendments will result in the examination bodies treating accuracy as a cost of doing business. He is now alerting us to the risk that that may be an open-ended cost of doing business. Does he agree that the risk of the amendments is that we are replacing a self-correcting mechanism with a bureaucratic structure that has unlimited costs to the examination bodies?

Mr Stuart: The measures seem terribly redolent of provisions I saw in the House during the previous Parliament. I had hoped to see fewer such measures in this Parliament. My hon. Friend is right: we believe in creating the right framework and allowing the incentives within that to do their work. As far as awarding bodies are concerned, those incentives are correctly framed and their incentive to do the right thing is right. If Ofqual feels in the future that those bodies are paying insufficient attention to reducing errors in examinations, it will be able to say so. If awarding bodies then fail to comply with the direction suggested by Ofqual, that is the time to come here and discuss the matter. Ministers would be able to give instance after instance where awarding bodies had failed to act on the very clear and reasonable directions given to it by Ofqual.

Louise Mensch (Corby) (Con): I am fascinated by my hon. Friend's speech. I understand that he feels zero errors is too high a threshold, but will he tell the House if he thinks there is an acceptable level of errors that Ofqual might be able to specify, or is he uncomfortable with labelling any level of errors as unacceptable?

Mr Stuart: Conservative Members have found that artificial targets led to precisely the kind of mechanistic, cost-of-business approach that my hon. Friend speaks about so well. That is why we set up a body of experts such as Ofqual to work within a framework, also established, of different awarding bodies wherein together they come up with the right approach. I am not sure that it is necessarily right to set a percentage. If there were a consistent period in which the awarding bodies showed themselves to be careless, or if we found on international comparison that ours were not up to scratch compared with those elsewhere—whatever the aspiration of the Japanese examination system, I doubt that it delivers 100% accuracy in all exams—it would be better if we trusted Ofqual to work with the bodies without necessarily bringing more bureaucratic sanctions into the process. Given the terms of subsection (5) of the new clause, there seems to be little incentive for Ofqual to control the costs of this, and it may simply add further to the expense of our qualifications system.

Stephen McPartland (Stevenage) (Con): These awarding bodies are very large businesses; I believe that the largest is worth about a quarter of a billion pounds. Does my hon. Friend agree that they no doubt have legal insurance that would meet the cost of these interventions?

Mr Stuart: That may well be the case, but if they do have such insurance, the premium will reflect the cost of doing businesses. In all contexts, whenever anyone suggests that having insurance somehow means that there is not a problem, it usually means that there is a broad raising of costs across the piece, which is something that we should minimise. One of the changes that was made in the Lords and has now come before us recognises that some education awarding bodies are part of educational companies globally, that there should be a cap on how much they can be fined, and that that cap should be relevant to the amount of business that that organisation does in this country rather than in global operations. That is welcome.

We now have a repeal of the repeal of the duty to co-operate. The shadow Minister was right to say that we are glad to hear confirmation that this partnership working can continue. I am also glad to hear from the Minister, citing his noble Friend Lord Hill, that the Government are committed to that form of partnership. In all the high-profile cases, and others, of children who are found to be neglected, it turns out that people at the agencies have not talked to each other, and we need to ensure that they do. It may be possible that a particular duty to co-operate in a certain way leads to a mechanistic response. If there is another way of framing the whole conversation that encourages it without there being a bureaucratic or legislative solution, that is something that I would be open to, but until we have a convincing argument as to how the overall picture will work, it is a good thing that schools co-operate with the other bodies.

On admissions, we have the change whereby anyone can refer a case to the regulator. I assume that the impact assessment has taken account of this, but I would be grateful if the Minister could comment on that. If anyone can refer to the regulator on admissions, how many more referrals do we expect? If other hon. Members' caseloads are anything like mine, they will know that an awful lot of parents are concerned about admission arrangements and many of them go through the appeals process. I wonder how many would seek to question and make complaints to the admissions regulator using the power in the Bill.

Again referring back to the remarks of the shadow Minister, can the Minister give the House a reassurance on the time frame for an admissions body to correct itself? Is it really possible that we could have a 10-month delay? One of the dangers in this place is that so many Members are so high-minded. The Minister is one of the most high-minded, and there is a tendency to assume that all others in the system share his ethics, commitment and fairness. Perhaps I have led the wrong life, but I have met many people who are capable of spite. It would seem to me a mistake to have a system that allowed somebody who had appealed and won to be thwarted in an act of spite by a school because it could use the rules to avoid acting in time to provide justice to the person who had brought the complaint.

On Ofsted inspections, as I said earlier, I welcome the Government's proportionate approach. I would be grateful if the Minister talked us through the implications of the reduction in Ofsted's budget. Perhaps surprisingly for some Government Members, the previous Government brought in pretty strong reductions in Ofsted's budget. It is greatly to the credit of the then chief inspector that Ofsted coped with that without a discernible drop in quality. The budget is now going down even further—from well over £200 million, it is dropping to about £143 million, from memory. I am interested to know how that will impact on Ofsted's ability to provide inspections.

The noble Lord Hill said in the other place that 72 outstanding schools had had inspections triggered by Ofsted's risk assessment process. That meant that about 2% of outstanding schools had been inspected in the period. He said that it had been agreed with Ofsted that the aim should be to inspect at least 5% of outstanding schools. I wonder how able Ofsted will be to deliver that 250% increase in workload just in the area of outstanding schools.

In winding up, the Minister might also like to comment on primary schools, because all schools are not the same. It has always been of concern to me, when talking about greater autonomy and academies, that primary schools are fundamentally more fragile than secondaries. The departure of a head or a chair of governors, both of whom might contribute to a school being outstanding, can lead very quickly to a school's standards falling. I would like a reassurance that there are different approaches for primaries and secondaries, for example in the speed of reaction and the attention given to certain factors, such as a change of head at a primary school being given greater weight and being seen as more of a trigger to get Ofsted to come in and check that all is well.

With those remarks, I will leave it there. I hope that the Minister will respond in due course.

Elizabeth Truss (South West Norfolk) (Con): I will speak to Lords amendments 18 and 19 on the duty of schools to co-operate.

It is important that we have a framework that delivers competition and choice in rural areas. There have been many examples of innovation in my constituency in which schools have co-operated to provide a better service across disparate and sparse rural areas. Methwold high school in my constituency operates a vertically integrated model with Hockwold primary school. It has been able to save on administration costs and to run the school more efficiently. It offers GCSEs in subjects such as maths to local adults, thereby lowering its costs and offering a wider service. It also collaborates with further education and higher education establishments to offer local people degrees and other qualifications that they would not normally be able to access in such a remote area.

Another school in my constituency, Swaffham Hamond's high school, was regrettably unable to continue to offer A-levels last year due to the lack of local demand. Unfortunately, students from that school were obliged to travel for up to 45 minutes on local buses to go to King's Lynn to study their A-level choices. Since then, a local collaboration programme has been developed with Dereham school, which has been able to offer its A-levels at Swaffham Hamond's, ensuring that specialist teaching staff are used in the best way possible.

5.30 pm

The raw economics of life in a very sparsely populated area mean that it is often more efficient and effective for specialist teachers to travel between schools than for students to travel vast distances from one school to another. That is what the head teachers of Swaffham and Dereham have achieved. They have ensured that the best sixth-form provision is available across a network of rural schools. That was a highly rational decision, but to get to the point of being able to offer that service they had to go through a whole load of bureaucracy. I know that the county council was involved in trying to sort that out, but ultimately the school from Dereham that offered its provision to Swaffham, a good 20-minute drive away, had to take a huge risk due to how the Young People's Learning Agency funding worked. A very innovative offering was available in a rural area, but schools struggled to put it in place because the funding models were more suited to large conurbations.

I am a huge supporter of academies and free schools, and I was very grateful to the Secretary of State for visiting Thetford academy, in my constituency, a couple of weeks ago. At present, however, the model delivers better for larger conurbations than for disparate areas. We need to find a way of making the funding more flexible, so that it can apply in remote rural areas and so that there is some pressure on failure and success in areas where it is very difficult for students to travel a long distance to a different school. We need to find a way of ensuring that failures are dealt with quickly and that success is rewarded, so that bad provision can be replaced and good provision can expand not just within a geographical location but elsewhere locally.

Norfolk schools are showing how collaboration should be done, but we need a way in which competition and collaboration can work alongside each other to ensure that we get the best economic models, that we use our teaching resources in the best possible ways and that we see innovation within the current environment.

Richard Fuller: I appreciate the opportunity to speak to the Lords amendments. I welcome the fact that in their lordships' overall assessment, the main thrust of the Bill should pass through to Royal Assent. It is most welcome that the core objectives of what the Government are trying to achieve will make it into law. That will be welcomed in rural constituencies, as my hon. Friend the Member for South West Norfolk (Elizabeth Truss) mentioned, and in others. However, the Lords have made some suggestions, which my hon. Friend the Minister indicated that the Government would support. I would like to draw his attention to a couple of those suggestions with which I concur wholeheartedly, and others with which I concur partly.

My first point is about the Lords' reinstatement of the duty on schools to co-operate with local authorities, which is specifically related to the well-being of children. That relates to the broader issue of how the new schools that are envisaged, and the ones that are already in place across the country, will co-operate with local authorities. Much attention has been given in the Bill's earlier stages in the Commons to the responsibilities of schools with regard to local authorities, but as my hon. Friend the Minister knows, I often look at the matter through the other end of the lens and ask what is the responsibility of the local authority to co-operate with our schools.

I, and I think many Government Members, hoped that when the noble Lords considered that duty to co-operate, they might send the Bill back to this House with amendments that were somewhat more creative than simply placing into the Bill the original duty as it already stands.

Throughout our country, we are seeing a radical change in the relationship between local authorities and schools. Schools are gathering greater freedoms to operate independently. Those relate to not only financial status, but areas of operations, one of the most important being admissions policies, which I will come to. That liberalisation of the market for schools—if I can call it a market for schools—is very welcome, but as a consequence of those freedoms, new issues come up, such as how schools work together on behalf of their local community, and how in doing so, both as individual schools, in pyramids of schools or chain academies, they interact with local authorities, which are the democratically elected bodies in those areas.

In many cases, those relationships have been conducted positively in the past, but there is sometimes a contradiction between the schools' best interests and those of local authorities. In that respect, it is a shame that the noble Lords have not sought to move the debate on the duty to co-operate forward to take us to the next stage of understanding. When the control over the education of our children is in the hands of such independent bodies, what will be the duty to co-operate between local authorities and schools?

Kevin Brennan: Does the hon. Gentleman agree that the duty to co-operate is not about the interests of schools or local authorities, but about the paramount interests of the child, which remain whatever school structures this Government put in place?

Richard Fuller: The hon. Gentleman is, as he has been throughout this process, a source of extreme insight and has expanded my knowledge. He is absolutely right

[Richard Fuller]

that that is the key aspect. As he knows from deliberations in Committee, all Members on both sides of the House have sought to achieve that.

To the extent that it is not the structure that matters but the education of children, the hon. Gentleman is correct. However, the Bill is not a nudge along for the structure of our educational institutions but a more substantial change. I am therefore expressing the retrospective wish that their noble Lords had been somewhat more adventurous in defining some of the new scopes for duties to co-operate in their amendments. Had they done so, the goal of focusing on the education of our children, which the hon. Gentleman and I share with other hon. Members, including the Minister, could have been moved forward a little. My current concern is that there could be turf battles about who is responsible for what in the duty to co-operate.

Stephen McPartland: Can my hon. Friend give us examples of the local authority paying lip service to co-operating with the school when it did not want to co-operate in practice?

Richard Fuller: I appreciate the incentive that my hon. Friend gives me to talk about local issues—there are examples in the borough of Bedford and more generally—but he recognises that the duty to co-operate involves questions such as the ownership of land and buildings. In addition, my local authority has a somewhat confused educational structure. There is a mix of two tier and three tier, and sometimes there is both in the same place at the same time. In those circumstances, when schools wish to pursue becoming an academy, there is potential for a difference of opinion on the best interests of children. A school being subject to a requirement to co-operate with the local authority on the basis of the local authority's responsibilities does not facilitate the growing liberalisation of schools to determine their futures that we wish to see. There is potential for conflict, but I hope that those examples have helped my hon. Friend.

Elizabeth Truss: Does my hon. Friend agree that some local authorities, such as Norfolk county council, have taken a positive approach towards academies, and are helping schools to become academies and to link up? Local authorities can play a positive role if they have the right attitude towards what that role should be.

Richard Fuller: I appreciate my hon. Friend's intervention, although with respect, I will stick tightly to the Lords amendments on this issue. She gives another example of how the duty on schools and local authorities to co-operate has evolved. Given that their noble Lords went so far in putting that duty back in the Bill, may I encourage the Minister and his ministerial colleagues to think further and more deeply about the evolving landscape and what that is likely to mean over the coming years?

I thank the hon. Member for Cardiff West (Kevin Brennan) for his comments about school admissions, which many of us share, and I thank the Minister for the changes that have been proposed or made. If we wish to see a substantial change and more liberalisation of schools in terms of where the authority lies, we should be aware that most families and parents want schools' admissions policies to be clear and fair in their communities. That does not necessarily mean that they have to be uniform, although many of us would indeed hope to see uniform entrance policies, particularly with free schools, because that would reinforce the success of this new idea and new policy. I therefore very much welcome Lords amendments 20 and 21. I have listened to different points of view on free schools, and I know that support for this radical idea among Opposition Members has been "on again/off again". Indeed, it would be interesting to know whether those on the Opposition Front Bench are "on" today or "off".

Mr Graham Stuart: Which one is on and which one is off?

Richard Fuller: Indeed. I will happily listen to the hon. Member for Cardiff West if he wishes to—*[Interruption.]* I can see that those on the Opposition Front Bench are not quite sure whether they are on or off, or on the fence.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): That is not within the scope of this debate.

Richard Fuller: I appreciate what the hon. Gentleman says from a sedentary position, although I am sure that you would rule on whether it was within the scope of this debate, Mr Deputy Speaker.

Whatever the Opposition's position, Government Members fully support the moves towards free schools. However, for the idea to bed in and become successful, schools' admissions policies need to be clearly defined, otherwise they will potentially be an Achilles heel. Organisations opposed to free schools—some have honourable intent, although some are the dinosaurs of an old regime—have pointed to admissions policies, saying that they will somehow be unfair. Those criticisms, from those organisations, have often flown in the face of the facts. Those facts show that admissions policies have often been just cut and pasted from other local schools. These Lords amendments will give reassurance on those criticisms, so that the reformist voices on the Opposition Benches can be encouraged further to recognise that there is a path forward and that this can be part of the most reforming legislation for some of the most disadvantaged children in our country. Therefore, Lords amendments 20 and 21 are most welcome.

I would like to talk about some of the comments made about direct, individual budgets for children with special educational needs, a topic of great interest in Committee when it came to ensuring that the reforms moved forward the provision of education for some of the most vulnerable children and young adults in our communities. Although in principle I am a supporter of individual budgets, both in this area and in others, I am somewhat sceptical about full implementation. It is interesting to note two parts of what Lord Hill said in the debate on the amendments dealing with personal budgets in the other place, when he referred, first, to

> "control over the support they receive and better access to and greater satisfaction with services."

I want to return to better access later. Secondly, he said:

"In those individual budget pilots, nearly two-thirds of families opted to have a direct payment as part of their personal budget."—[*Official Report, House of Lords*, 1 November 2011; Vol. 731, c. 1195.]

People's attention rightly focuses on those two thirds, who comprise the earlier adopters and those who can be encouraged relatively easily to follow on.

5.45 pm

For this policy to work effectively, however, the concentration of hon. Members here should not be on the two thirds who accepted but on the reasons why one third did not. What is holding back these individuals from taking on the responsibilities of individual budgets? The benefits have been extolled quite broadly and it would be interesting to understand why those one third of individuals have not taken that view. My guess is that there will be more of an issue with this policy from people who are reluctant adopters and we will need to work through how to enable them to have the benefits from individual budgets.

Mr Graham Stuart: I am perhaps more optimistic than my hon. Friend. Historically, we have not had direct budgets in this area. As more people receive direct budgets, those who provide in response to them will grow in their sophistication and capability, so they will be able better to sell, communicate and market what they do for families, who will then see that they can take on a budget without having to try to commission those services from scratch themselves. My hon. Friend is right—although things might develop over time—that this might never be appropriate for some people and we must ensure that we look after their interests. However, for perhaps even more than 75%, direct budgets might prove to be the way forward.

Richard Fuller: I appreciate my hon. Friend's intervention. As Chairman of the Select Committee, he is very knowledgeable in this area, and I look forward to discussing the issue with him further. Let me add a couple of additional concerns. Although we agree on the overall direction of travel, we might also reach some concordance over concerns.

The proposal in Lords amendment 37 is to deal with this issue through setting up pilot schemes in some areas. I am in favour of that. What will be the benefit for children with special educational needs? Their parents already put an enormous amount of effort into supporting their children. We call on them not only to go out and work hard, but to provide that support at home and that takes up an enormous amount of time. To place on top of that the burden of an individual budget—however it is implemented—places significant additional burdens. Let me explain a couple of them.

I have spoken to parents of children with special educational needs in my constituency. Overall, they are enthusiastic about some of the proposals in the Government's Green Paper, but they strongly voiced their concern about the complexity of placing additional burdens on parents. They want these responsibilities, but the complexity involved is significant.

Mr Gibb: It will not be compulsory to have a direct payment. It will be an option that parents can take up if they wish. The fears that my hon. Friend expresses should not come to pass.

Richard Fuller: I appreciate the Minister's intervention, which reassures me somewhat, but Lords amendment 37, on setting up pilot schemes, reassures me more significantly. I think we will find that more significant issues arise here. It is not sufficient, from my point of view, to say that because two thirds will accept it, it must be fine. Two thirds might well accept it, but that does not mean that the administrative problems and complexities will not have made their lives more complicated. People might say, "Yes, I will accept it", but it is not a straight choice leading to the accrual of untold benefits. There are costs and consequences from the decision made.

As I was saying, I spoke to some parents in my constituency and they told me that they wanted a system that was easy to administer and wanted to ensure that support was available. They wanted to ensure, too—this was a point raised by the hon. Member for Cardiff West and others—that this was not an avenue to cost cutting. They wanted to make sure that Ministers understood the complexities of handling different panels, facing different options on statementing and having to look for disability living allowance, carer's allowance and so forth. Those are costs placed on individuals. Two thirds might well say, "This is what we want to do". That, however, with respect to the Minister, is not the point. The point is to make the system so simple and easy to do that everyone wishes to do it. I am not sure that we are at that point yet, which is why I welcome the proposal for the pilot schemes in Lords amendment 37.

My other reason for welcoming the amendment is that, as I have said, I do not want a measure that constitutes an avenue to cost-cutting. I accept that the Minister and his colleagues in the Department are absolutely committed to maintaining support and funding for the most vulnerable children, but in the present environment, every good policy can be open to talk of cuts and reductions. We hear such talk almost hourly from Opposition Members, in relation to a range of topics. Some may have valid points to make, but it is generally understood that those who have borrowed too much money and are living beyond their means have to make cuts in certain areas.

It would be devastating for the Government if the strong reforms that they want to make in regard to special educational needs, building on what the last Government did, became part of the debate about cuts. We can learn from a pilot scheme, and it will enable us to create a better system. Its mission should be to relieve parents of the burden of additional complexity. We should focus not on the take-up rate, but on reducing the cost to parents of individual budgets. That will help to ensure that the changes that are made bed down for the long term.

Having commented on those three issues—the duty to co-operate in a changing environment, the need to ensure that school admissions do not become the Achilles heel of the move towards new academies and free schools, and the need to reduce the complexity of special educational needs individual budgets for the benefit of parents—I offer my support for the amendments.

Neil Carmichael (Stroud) (Con): I want to talk about five aspects of the amendments. The first is the question of Ofqual. I disagree with my hon. Friend the Member for Beverley and Holderness (Mr Stuart), the Chairman of the Education Committee, about the

[Neil Carmichael]

fines. [Hon. Members: "Surely not!"] He is fairly used to disagreements, and always accepts them cheerfully, as he has just demonstrated.

The Government are right to think in terms of fines. My hon. Friend the Member for East Hampshire (Damian Hinds) put his finger on it when he noted that it was difficult to change examination boards in a timely manner if there were mistakes. There must be no mistakes in the preparation of exams.

The real problem, it seems to me, is that we have far too many examination boards, and I believe that the Education Committee will consider that in due course. We need accurate examinations so that students can feel confident that they are taking tests that are fair, proper and competent, and fines should be applied when those priorities are not honoured.

There is the important question of whether Ofsted should inspect outstanding schools. We must ensure that it concentrates on schools that are failing or coasting: as the Prime Minister rightly says, we must never fail to recognise that some schools are not doing a good enough job at present, and that they require our full attention. An Ofsted report is, of course, a snapshot of the situation that the Ofsted inspectors found during their visit, and is likely to convey contradictory messages. What I frequently find in my constituency, and certainly found when I was involved in education as a governor, is that such reports may not tell the story that other statistical evidence might tell.

I raised the problem when the Education Committee was considering Ofsted and its future. I asked witnesses what should be done when a school that is able to brandish very good exam results—five passes graded between A-star and C—receives an Ofsted report that tells a different tale. I know of two schools in my constituency that have been able to counter one bit of evidence with another, and both cases involved Ofsted reports. I therefore think that the Government are right to use the tool of Ofsted to focus more on the schools that are failing or coasting.

There are many different ways of measuring performance. We must enable parents to see, from year to year, that things are moving in the right direction in the schools that they choose—or may choose in the future—for their children. An annual assessment will be helped by effective league tables and the right kind of evidence presented in the right way.

Mr Graham Stuart: Is my hon. Friend comfortable with the idea that some schools might not be inspected for 10 or 12 years?

Neil Carmichael: I would certainly be willing to see schools go without an Ofsted inspection for some time if they are consistently performing effectively and efficiently. Several years might elapse before an inspection, but I do not believe that we are talking of decades.

We must bear it in mind that there are other accountability mechanisms: the choice that parents make; the measurements that league tables offer; and the role of governors. I know that the hon. Member for Cardiff West (Kevin Brennan) is not going to press the issue to a Division, but I consider it very important, and I think that the Government are right to be less prescriptive than they have been in the past. It is critical that we focus on what governing bodies should be, and on the role that they should have.

I have been involved in the establishment of an all-party parliamentary group on school governors, because I think that the issue has been overlooked for far too long. One of the key themes that the APPG is developing is the need to focus on skills rather than representatives of governing bodies, and it is reflected in both the Bill and the amendment. It is obvious to me, and, I believe, to most people—it was certainly obvious to all who were involved in the formation of the APPG—that a great many skills are required. It is a good idea to ensure that a local authority appoints a governor in consultation with the governing body, so that together they can come up with the right person to fill the skills gap. The school will then have a governing body that reflects its priorities and has the appropriate skills. I am glad that the Bill mentions the crucial role of governors, on whom I think we should turn the spotlight when we think about accountability.

That brings me to the question of reporting restrictions. Over 20 years, I have been involved in situations in which members of the teaching profession have had to undergo disciplinary procedures. Ironically, none has been connected with pupils, and I am pleased about that, but I could have done with a few reporting restrictions in one instance in particular. It is very difficult to manage such situations when they are being second-guessed by the press, which may investigate or discuss them in ways that are not helpful to the requirement that evidence is presented fairly and honourably so that people who are not involved in a case can make proper judgments and reach an unbiased conclusion. I discovered that if someone wants to get something published, they should simply mark it "private and confidential" and away it will go. It is right that the Bill examines this issue, because we have to ensure that our processes can be properly managed and controlled so that investigations can be undertaken and judgments made consistent with justice and good practice.

6 pm

Finally, I wish to talk about the key duty to co-operate. In the Localism Bill the Government readily accept that authorities should co-operate with each other on a wide range of subjects. That is the right approach, because planning decisions, highway construction and so on are more effective when people co-operate, and the same applies to local authorities. To be consistent, the same must apply in dealing with schools and local authorities, although perhaps we need to be even more focused on the need to co-operate because schools benefit from co-operating on a host of things. As we move towards academies, free schools and choice, we should talk not about a federal structure for schools but about encouraging feeder schools to get more involved with secondary schools and providing similar support for special educational needs. As the shadow Minister rightly noted, the key is to think about pupils and their best interests. We should try to engineer a system under which there is an overall desire to co-operate, where co-operation takes place and where schools feel comfortable co-operating with each other. In broad terms—and in absolute terms, because I cannot think of any criticism I am really making here—I support the amendments, as the Government have expressed them.

I wish to emphasise some key points. First, we need to acknowledge and celebrate the work of governors and the importance of school governance. If we get that right, accountability will be appropriate and understood, and parents will feel increasingly comfortable with the overall structure of school leadership and management.

I have not mentioned the second point, but it is crucial. When money starts to go to schools not necessarily through local authorities but directly from the Department for Education, we will have an even more flexible, fluid way of dealing with schools that will produce excellent schools. But we can never take our foot off the accelerator in the drive to ensure that all our schools do the best they can for their pupils and that their pupils thrive. That is our message, and that is what we must do. The Bill will go a long way towards helping that to happen.

Damian Hinds: I wish briefly to discuss a couple of aspects of the amendments, touching on Ofsted and outstanding schools, the anonymity of teachers and Ofqual. I wish to start where my hon. Friend the Member for Stroud (Neil Carmichael) so eloquently left off: on the duty to co-operate. I agree wholeheartedly that we should celebrate co-operation, teamwork, playing to strengths and so on. I accept that the Government think it necessary to retain the duty to co-operate, as was, but I hope the Minister will agree that it is not always best to systematise and design processes; free co-operation can frequently be more effective.

In a different but closely connected arena, the Select Committee, on which I sit and of which my hon. Friend the Member for Beverley and Holderness (Mr Stuart) is Chair, is examining the broader issue of child protection. In that area, the number of flow charts, systems, fall-back plans and required times by which something must happen provide what appears to be a very impressive system, but in many ways more questions are created than are answered.

There is much to be gained from schools co-operating, so that we get more than the sum of the parts. The education improvement partnership in my constituency brings together all 44 schools—nobody forced them, and it was not the result of any duty—to work on a range of things, including the gifted and talented programmes; the provision of pupil referral units; nurture for primary children at risk of exclusion; and training for emotional literacy support assistants. That makes the biggest difference.

The second thing I wish to talk about is Ofsted, outstanding schools and triggers. I accept that there is an honest and reasonable difference between the parties on this, which reflects a difference that we see on lots of subjects. Labour Members would like codified exactly what will trigger the re-inspection of a school previously judged to be outstanding, whereas Ministers are keen to think of a range of things that might make that happen but do not wish to be quite so specific and accept that, to an extent, the system is organic. The Select Committee closely examined whether a change of head should automatically trigger a re-inspection. I think that there is a strong argument to say that such a big personnel change, perhaps when combined with one or two other changes, might be a good reason for so doing, but there might be counterbalancing arguments against.

Mr Graham Stuart: I am glad to say that Lord Hill said that he and Sir Michael Wilshaw—I think he specifically named him—believed that changing a head would not automatically trigger an inspection but would trigger consideration. The Government and Ofsted are aligned with my hon. Friend on this requirement.

Damian Hinds: That highlights the point about having people running organisations whom we trust and who can make professional judgments, and about their weighing all the evidence and not being hidebound by particular formulae.

In an earlier intervention, I mentioned that we will have much richer data than ever before in the schools system. That is not unique to this country, because a revolution is going on in the education world, as was reported a few weeks ago in a good article in *The Economist*. We know much more about schools and can therefore do much more predictive modelling than was possible before.

In an intervention, my hon. Friend the Member for Bradford East (Mr Ward) argued in favour of contextual value added. The Government will not use CVA—and thank God for that; I have yet to meet anyone who understands it. I have served on the Education Committee for 18 months and we are still waiting for our first teacher, head teacher, pupil, local authority officer or anyone else from the education establishment to talk voluntarily about CVA as a measure of school performance. Instead, we have what most people would understand as a value-added measure—progress from key stage 2 to key stage 4—which will do most of that job without the extra complexity and formulaic high jinks that the contextual bit introduces. Of course, it is only one of a large basket of measures and indicators that can be used.

I am sure that it is not in the minds of Ministers or the leadership of Ofsted that any school should go a long time without inspection. I would be amazed if any head teacher wanted to go long without his school being inspected. Many of the indicators are what we might call "digital indicators", but Ofsted produces an analogue report with much richer evaluation and comment than some of those measures. I am sure that many parents will want to know that there is a relatively recent report informing them about some of the things that they cannot necessarily read in league tables, but I do not think that any of that calls necessarily for the formulaic approach of automatic triggers that Labour Members suggest.

The next area I want to touch on is the anonymity of teachers. Reasonable questions have been asked about why schoolteachers should enjoy special treatment, and why those who work in further education colleges are treated differently. I accept that that is an anomaly, although it is hardly the first anomaly to arise between secondary schools and sixth-form colleges.

Mr Stuart: The Government listened and used the Bill to correct an anomaly and allow FE teachers to teach in schools. I led a debate in January and am delighted that Ministers listened to that appeal and are seeking other ways of levelling the playing field for FE and sixth-form colleges and schools.

Damian Hinds: Indeed. As ever, my hon. Friend makes a pertinent point.

[Damian Hinds]

Teachers are unique—there is something special about them, as opposed even to other people working with children, although I accept the arguments about them—as they have to stand before a class, in a position of authority, and keep discipline. Most of us will have been struck by the number of teachers whom we know who strongly approve of the change introducing anonymity. For the avoidance of doubt, let me say that those teachers would never in a million years get up to the sort of no good that we want to avoid. There is something symbolic in saying that we understand their difficult position in keeping order in their little community and that they deserve our support and this type of anonymity.

Ofqual has already stimulated some fascinating exchanges. In an intervention on my hon. Friend the Member for Beverley and Holderness, who chairs the Committee on which I serve, I wondered what level of defect the Japanese would look for. I specifically picked Japan, rather than Shanghai, Finland or any of the popular examples because of my experience of joining the Manchester and Merseyside branch of IBM as a tender 17-year-old. The story new starters were told might have been apocryphal, but it was that that IBM specified a 99.99% success rate in the contract with its Japanese microchip supplier. The Japanese were a bit confused, but dutifully smashed one in every 10,000 chips to ensure that they complied with the rate. The point is that other systems do things better than ours does and that people with other systems accept nothing but the best. Following that experience, IBM adopted the principle that is known in business as zero defects.

Mr Stuart: Will my hon. Friend give way?

Damian Hinds: Only if my hon. Friend will speak in Japanese.

Mr Stuart: Double Dutch perhaps, but not Japanese.

My hon. Friend asserts that other areas do better than we do—in the accuracy of their examination questions, I assume —but does he have any evidence to back that up? The paucity of such evidence from Ministers makes me question whether we have made the case to introduce such measures.

Damian Hinds: I suspect that my hon. Friend knows that my point was a more general one about other people doing better than we do and about their tolerance of failure and imperfection. I recognise that humanity is ultimately susceptible to failure, but I worry about what we should accept.

Richard Fuller: Does my hon. Friend agree that one of the main reasons the Japanese do so well in business is not sticks and penalties but their cultural acceptance of what they need to do?

Damian Hinds: I thoroughly accept that point, but we need to ensure that our education system strives to be as good as the best in the world. Ministers are effectively leading the education system in that mission.

I said earlier that public confidence is everything. I accept that the brand equity that examination bodies want to protect is the single biggest motivator to be as good as they can be, but it is worth reiterating that this is not a simple market in which they lose customers if they get something wrong. First, the number of exam-awarding bodies is limited—people do not have limitless choice. Secondly, schools that switch examination bodies face major costs, inconvenience and difficulty in changing curriculums. Thirdly, given the costs and difficulties involved, changes might not be as easy as they appear for schools and colleges.

6.15 pm

Instead of thinking about whether there are one in 1,000, one in 10,000 or one in 100,000 defects, we should think about the time a student sitting a exam might waste in trying to answer a question that is impossible to answer correctly. That exam, although one of the 10 subjects they are studying, might be fundamental to their future.

It is reasonable to set a fine with a cap of 10%—a pretty standard benchmark—applying only to the part of the operation that Ofqual regulates, not to the international fees. Of course, it will be subject to a 12-week consultation.

My hon. Friend the Member for Beverley and Holderness said that such fines could add, either directly or via insurance premiums, to the costs of examination bodies and, therefore, to schools. We must address the fact that the costs of examinations to schools have risen dramatically. In 2002-03, the average maintained secondary school spent £44,000 on public examinations. By 2008-09, the figure had increased to £85,000—all but doubling in a mere six years. I think that it increased to £96,000 in 2009-10. Those massive increases are nothing to do with having to pay fines for getting the questions wrong; they are to do with the number of resits, retakes and AS-levels and all the additional stuff that goes into our examination system.

I am pleased that the Education Committee will consider how the examination board system works, but, as the Minister said, there is an ever-greater cost to getting 99.99% accuracy up to 100%. We shall create the incentive to go the extra mile by ensuring that, if people fail, there is a counterbalancing cost. It is absolutely right that that is being done. I am happy to support the Lords amendments.

Dan Rogerson (North Cornwall) (LD): I rise to support a number of the Lords amendments that were made in another place at the prompting of the Government, although as the hon. Member for Cardiff West (Kevin Brennan) said, a number of the issues were explored in Committee before the Bill passed to the other end of the building.

I am pleased that the Government have reconsidered the duty to co-operate. The hon. Member for East Hampshire (Damian Hinds) talked about the analogue process of inspection. Well, coalition government is an analogue process as well, and my noble Friends, along with Lord Laming, were keen that the issue, especially with regard to safeguarding, should remain on the statute book, because of the emerging relationship between local authorities and schools that will follow the transition in some parts of the country when large schools to take up the opportunities of the academies programme. The Secretary of State for Education has spoken in the past about the need to consider how local authorities and schools will work in that context. The Deputy Prime

Minister mentioned in a speech in September that local authorities needed a new role in considering the education environment.

Of course, fewer academy conversions have taken place in some parts of the country than in others. The process will take different forms in different parts of the country, but that is right and in accord with the principles of localism, as the hon. Member for Stroud (Neil Carmichael) said in his contribution. There will be opportunities to revisit the discussion about how schools and local authorities co-operate with regard to the objectives for wider community development and for education—of course, the key priority for schools—but it is clear that the Government, having considered the issue, wanted there to be no doubt at all about the message that goes out about safeguarding. On that key duty to operate on those issues, the Government have responded to the points made by Lord Laming and others, and I welcome that.

On admissions, the debate in another place focused on the duty of the Secretary of State to provide fair access in all circumstances. Clearly, the Secretary of State has that duty, supported by the schools adjudicator, so that should set minds at rest. Where there have been anomalies, some are anecdotal. We hear, for example, that in the original academies lower numbers of pupils were on free school meals than at other schools in the area. That requires exploration. The pupil premium will have the effect of showing that all schools will benefit hugely from bringing in pupils from across the community and having the resources to provide any extra support that might be necessary early on in a student's school career, to ensure that they get the benefit that everybody else enjoys as they move through the education system.

I am grateful to the Minister and his noble Friend for the changes that they have made to the original proposals on school governance. The hon. Member for Stroud is no longer in his place. I should take the opportunity to attend his all-party group, which I have not done thus far. We on the Liberal Democrat Benches are a little more convinced of the benefits of the stakeholder model. I entirely understand what the hon. Gentleman was saying with regard to skills. The model advanced by the Minister through the amendments made in another place provides the opportunity for co-option and for discussion with the local authority about the sort of person who would be appropriate for the governing body of a school, to ensure that the skills profile is met and the new responsibilities—

Richard Fuller: I am listening with great interest to what my hon. Friend is saying. His party obviously has a slightly different perspective on issues from the other party in the coalition, and that is to be welcomed. Two minds can often be better than one. How, from his party's point of view, does he see the role of a local authority governor evolving as local authorities move towards the role of commissioner for school budgets? Does he believe that local authority governors will be able to wear the two hats effectively, as they have in the past?

Dan Rogerson: I am grateful to the hon. Gentleman for his intervention. In Bedford, people very much have two minds elected to represent them—their excellent elected mayor, Dave Hodgson, alongside the hon. Gentleman working hard for constituents there. I agree that issues arising from commissioning need to be examined—not just questions about how much money each school should receive, but wider questions, such as how that relationship can evolve and deliver for the local community.

To return to the topic of governance, the amendment tabled in another place allows staff and the local authority to have a voice in the discussions that take place within a governing body, but there is plenty of scope for skills that are needed on that body to be provided through co-option and for those put forward as local authority governors to respond to the need for skills.

On inspection, Liberal Democrats have long said that we want to remove the burden of bureaucracy from schools, and colleagues in the Conservative party have expressed similar views. The more risk-based approach to Ofsted inspection responds to that aim. As Members of Parliament we hear of other instances in our constituencies where local businesses, for example, would welcome a response from Government when risks and problems have been highlighted, but not when that is not seen to be necessary. As we have heard, other forms of data are available so that people can make up their own mind. There are opportunities for inspections to be triggered, should that be necessary. One such example concerning a change of head teacher was provided by the Chairman of the Select Committee, the hon. Member for Beverley and Holderness (Mr Stuart), who is no longer in his place.

As I understand it, Ofsted will continue to undertake thematic surveys—for example, on safeguarding, to which I referred earlier. Such surveys would include outstanding schools which may not have undergone a full Ofsted inspection for a year or so. I am pleased that the Government have listened and responded to debates. The coalition Government have produced a Bill, as amended in the other place, in which people can have confidence. I hope it will unlock further the potential in the education system to deliver for our young people.

Stephen McPartland: I am grateful for the opportunity to contribute on this group of amendments. Like my hon. Friends the Members for Bedford (Richard Fuller) and for Beverley and Holderness (Mr Stuart), the Chairman of the Select Committee, who is not at present in his place, I broadly support the amendments but would like to push the Government to go a little further in some respects. One of my key themes is that the Bill seems to be written very much with secondary schools in mind, as opposed to primary schools. Although there are some elements of the Bill that focus on primary schools, it could go much further.

Members in all parts of the House have welcomed the fact that teachers will have anonymity from false accusations. If the individual is charged, the police will not be prevented from investigating, but the teacher will be protected. That is good news, but Members on all sides are concerned that it does not go far enough. One of my worries is that in a primary school setting, where teaching assistants are often given responsibility for dealing with the most difficult children, sometimes the most difficult families, and work in a room with just one or two of those children, they are at severe risk from such accusations.

[Stephen McPartland]

I welcome the amendments from another place relating to an application in a court for a judge to lift reporting restrictions. The welfare of the teacher who is the subject of the allegation is taken into account, as is the welfare of the pupil or pupils who are the alleged victims. However, the Government could go a little further and think about staff in specific situations. For example, I know of schools around the country where teaching assistants are often put in charge of classrooms, essentially acting as teachers. Under the Bill, they will not have the same protection as a teacher in the next classroom who is dealing with the same key stage group. I urge the Government to look into such situations and respond accordingly.

On the admissions code, I welcome many of the changes, particularly the fact that adopted children who were looked after before they were adopted will still have the same priority for places as looked-after children. That is extremely important, as it could benefit 3,000 children each year. I have an example in my constituency of a child who was adopted for many of the best reasons—I know that across all parties there is a big push to ensure that children are adopted much faster, instead of being looked after—yet simply because they did not remain a looked-after child, 17 different funding streams that had been providing support within the school were lost.

From an educational point of view, it might seem that it would have been in the child's interest to continue to be looked after, as opposed to being adopted, whereas from the point of view of their social development, it is much better for the child to have been adopted and become part of a more stable family. I welcome the provision, which is important in setting a precedent for considering in the round the priorities in such a situation. Those children still have the same problems securing a place in a school that is right for them, and it is important for the family who have adopted the child to be given access to the necessary services.

6.30 pm

I note that there is to be a national offer day for primary schools and I welcome it, but with some trepidation. It was recommended that it would be on 1 March and be similar to what parents are used to for secondary schools. I welcome the proposal, but I worry that many parents might put pressure on their children at age three or four in the way many do when their children are 10 or 11. I would like to hear a little more from the Minister on how the national offer day for primary schools would work, because it is something that interests me and a large number of my constituents. The reason behind it is that there are different dates by which children are admitted to primary schools in different local authorities, which can cause great confusion for parents. I know from my constituency postbag that often a large number of parents are concerned that they cannot get their children into the nearest one of two schools simply because they have missed the date by which they were to apply for admission. I welcome the proposal, but I would like to know a little more about how it will work in practice.

We had a robust debate on Ofqual, which was fascinating to listen to. I certainly agree that a regulator should be able to fine an organisation 10%—my hon. Friend the Member for Bedford looks up sharply—because I am concerned that awarding organisations regard Ofqual as having no teeth. Much of the focus was on the fact that there were 12 or 13 mistakes in exam papers this year, which affected 140,000 children, creating great confusion for them, their families and their teachers. That can be heartbreaking, because it is not the child's fault.

I mentioned in an intervention the possibility of legal insurance offsetting some of the costs, but the Conservative in me is concerned about giving another quango more powers to intervene. I am conflicted on the amendment, but I will support it because on the whole I believe that it is important that regulators have teeth. When we look at the size of some of the awarding organisations, we see that the largest has a turnover of £250 million, and the assessment market is worth £1 billion, so we must have some kind of control over it.

Richard Fuller: I do not wish to detain the House too long on this point, because we have heard many aspects of it. My hon. Friend points out that the organisations are very substantial and that some have turnovers of £250 million or more. Does not that simply point to the fact that for those organisations the reputational risk will be far greater than any penalty that could be imposed? Does not the size of those organisations support the suggestion made by the Chair of the Education Committee, rather than the proposals in their lordships' amendments?

Stephen McPartland: My hon. Friend makes a fantastic point, but I must stop myself agreeing with him. I believe that the reputational risk is only a very small part of the problem with Ofqual's relationship with awarding organisations. The problem is that Ofqual has only the nuclear option, to which the Minister referred, of saying, "You are either in or out." I imagine that causes a great deal of conflict in Ofqual when it investigates an organisation. My hon. Friend knows from his vast business experience that the cost of doing business is often factored into every meeting, and I have no doubt that the cost of engaging with Ofqual is included in every meeting.

Mr Gibb: I want to put on the record the fact that Ofqual will consult on the definition of turnover it will use for the 10% figure. Other regulators have always defined turnover in relation to regulated activities and not beyond them.

Stephen McPartland: I thank the Minister for that clarification. One of the little-known problems with Ofqual's relationship with awarding organisations is that often when it requests information the organisations can ignore it—I am not saying they do so—because they know that Ofqual only really has the nuclear option; it can either engage with them or not engage. That becomes the organisations' point of view on the relationship they want with the regulator, rather than the view of the regulator in trying to regulate the industry. We referred to the industry earlier as a market, and it is worth almost £1 billion a year in the UK. There are 182 awarding organisations.

Damian Hinds: On the question of reputational risk versus the power of a fine, does my hon. Friend accept that the two are not necessarily alternatives? Being fined or, in an extreme case, being given the highest fine the regulator can give will itself contribute to the costs of reputational risk, so the two can reinforce each other. Reputational risk appears to have been an insufficient deterrent hitherto. Otherwise, we would not have had the extent of problems we saw this summer.

Stephen McPartland: I very much agree with my hon. Friend, because reputational risk is very important. The problem is simply that it comes back to reputational risk and the nuclear option, as many awarding organisations can take a chance and build into their business models the number of mistakes they can make before they appear in national headlines. I am not saying that that is what they are doing, but with Ofqual's current position there is a very odd situation in which the awarding organisations can identify the relationship they want with the regulator, rather than the regulator regulating the industry.

Providing Ofqual with the ability to fine awarding organisations at 10% allows it to say, "If you don't comply and engage with us, we can fine you up to 10%." I agree with the Minister that there will no doubt be a sliding scale and that it will be introduced with consultation, but the key point, as my hon. Friend the Member for East Hampshire (Damian Hinds) noted earlier, relates to the Japanese example of smashing one circuit in 1,000 to ensure that they comply. We do not want one mistake to ensure that Ofqual and the awarding organisations comply with one another; we want them to have a relationship based on trust and understanding and, as a last resort, for there to be the threat of fine if the awarding organisations do not engage with Ofqual. Reputational risk is important, but I think that we all understand that what affects people ultimately is the bottom line: what profit they are making and how they are engaging. That is what is important, because that is what they are employed to do. I broadly agree with the Ofqual situation. There is a bit of conflict, because it means giving a quango more powers, but in this situation I think that that is correct.

We also had a robust and prolonged debate on Ofsted, with many interventions. There was a suggestion that some schools would not be inspected for perhaps 10, 15 or 20 years, but in practice that is unrealistic. I was under the impression that when a new head teacher took over a school, particularly a primary school, traditionally that would trigger an Ofsted inspection within a couple of years. I understand that under the Bill's provisions Her Majesty's chief inspector of schools will trial a new approach so that, when a new head teacher takes over, the inspector will contact the school to discuss the performance and the head teacher's plans for the future, which I think is a much more effective way of working with outstanding schools.

Triggers have been mentioned. I understand that there will be a guaranteed minimum re-inspection rate of 5% and that governors, through the powers and freedoms we are allowing them—the hon. Member for North Cornwall (Dan Rogerson) spoke effectively about this in Committee on several occasions—will be able to say that they are losing confidence in how things are going. If parent governors in our constituencies believe that children are not getting access to the best education, they phone their MP or local authority straight away to demand the best for their children. That would also ensure that those schools will have the best from the new freedom to engage and not to be inspected every couple of years.

On a wider note, I am pleased that Ofsted will no longer give six or seven weeks' notice of inspections. The notice period had meant that teaches would often work for 15 or 16 hours a day for six or seven weeks, including weekends, to try to ensure that their school is seen at its best. I do not believe that that is the best way of conducting inspections. What Ofsted is doing at the moment is giving a couple of days' notice before turning up, which provides a much better reflection of the school. As the years go by, that will provide a much better snapshot of what is happening.

Also, the freedoms for academies in the Bill will lift education across every constituency and local education authority area. Competition is the wrong word to use in a debate on education, but those schools, head teachers and teachers will be seeking to attract the best children. It is important to focus on providing the children with the best schools. Many of the outstanding schools will not now be inspected as often as before, but they will be spending their time helping neighbouring schools that do not have the best procedures in place to move towards becoming outstanding. I welcome the Bill's proposals in this area.

My final point relates to direct payments for special educational needs. The Minister said earlier to my hon. Friend the Member for Bedford that people would be able to opt into this process, and I am grateful to him for that, because I would have had great hesitation in supporting any kind of compulsory measure. Now that the Minister has clarified the position, however, I can support the proposal.

Mr Gibb: With the leave of the House, I should like to respond to this interesting debate. I am grateful to my hon. Friends the Members for Beverley and Holderness (Mr Stuart), for Bedford (Richard Fuller), for South West Norfolk (Elizabeth Truss), for Stroud (Neil Carmichael), for East Hampshire (Damian Hinds) and for Stevenage (Stephen McPartland) for their thoughtful contributions, and I shall respond to as many of their points as possible, in addition to speaking to the amendments tabled by the hon. Members for Liverpool, West Derby (Stephen Twigg) and for Cardiff West (Kevin Brennan).

The hon. Member for Cardiff West asked me to say a little more about Lords amendments 1 to 4, which relate to interim prohibition orders. Since the Bill's introduction, it has included a new power for the Secretary of State to make such orders. Many regulators have a power of that kind for use in the rare cases when it is in the public interest to bar an individual while an investigation is under way, prior to a final decision being made. When the Delegated Powers and Regulatory Reform Committee scrutinised the Bill, it asked about the safeguards that were going to be put in place. As a matter of policy, we intended the issue of interim suspension orders to be possible only when it was in the public interest, and subject to regular six-monthly reviews when requested. The Committee suggested that those quality safeguards be placed on the face of the Bill. The amendments were debated briefly in Grand Committee before being made in the other place.

[Mr Gibb]

On extending teacher anonymity, we have to proceed on the basis of evidence in restricting press freedom. I have already cited the findings of our survey. Teachers are much more likely to be the subject of allegations than other staff in schools. The hon. Gentleman mentioned the teachers of 16 to 19-year-olds in further education colleges, but the evidence from the survey shows that just 1% of allegations related to teachers in FE colleges, compared with 23% relating to school teachers. The NASUWT's records show that, in the past 10 complete years, it has provided a solicitor in relation to 1,592 cases of allegations against teachers, of which 1,439 resulted in no further action being taken.

The survey related to local authority designated officers—LADOs—and the total number of allegations of abuse that were referred to LADOs in the 116 local authorities that responded to the survey was 12,086, of which 2,827, or 23%, related to teachers. Of those, allegations of abuse related to 0.6% of the teaching profession as a whole. That means that there are 1.5 times as many allegations against teachers as against support staff, which had a figure of 0.4% of the total non-teaching population.

On the basis of that survey, I believe that we have got this measure right. I say with all due respect to my hon. Friends that we must not let the best become the enemy of the good. I have heard Members on all sides of the debate today pushing to extend the measure to more staff, and not to extend it to teachers because of the effect that it has on them, but I think that we have got it just about right.

6.45 pm

The hon. Member for Cardiff West cited the article by the Prime Minister in *The Daily Telegraph* today. I would like to quote it more fully. My right hon. Friend stated that

> "we remain relentless about combating entrenched failure. We will soon have taken over more failing schools with new academies than in the whole eight years of the programme under Labour. But it's just as important to tackle those all over the country content to muddle through—places where respectable results and a decent local reputation mask a failure to meet potential. Children who did well in primary school but who lose momentum. Early promise fades. This is the hidden crisis in our schools—in prosperous shires and market towns just as much as the inner cities."

Mr Graham Stuart: My hon. Friend is right to quote the Prime Minister, who in turn is right to identify this issue. What practical steps can be taken under the current regime to target those schools that are above the floor targets for five good GCSEs and that have limited resources for Ofsted? How will it be possible to ensure that they get the focus that the Prime Minister, the Minister and I would like to see?

Mr Gibb *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. I am sure that the Minister will ensure that his response is relevant to the amendments that we are discussing.

Mr Gibb: Thank you, Madam Deputy Speaker. In the light of your ruling, I will make just one point to my hon. Friend which is relevant to the amendments. The performance tables will identify the results and show how well children did at primary school. There will be a column for children who achieve level 5 at key stage 2, and another column for those who achieve level 3 at key stage 2. There will also be columns for those with special educational needs and those with disabilities. That will help to identify those schools that are coasting, and we will then take action against those schools or help them to improve their results.

The hon. Member for Cardiff West also talked about triggers for inspections. That is a matter for Her Majesty's chief inspector, but I can confirm that there will be annual risk assessment for outstanding schools, which will normally commence three years after the last inspection. Where there is a change of head teacher before that point, however, the chief inspector has agreed to bring forward the risk assessment, including an HMI review. Ultimately, however, we have to leave it to the professional judgment of the inspector to determine whether an inspection should be triggered. Factors to be taken into account might include: the performance data of a school that had previously been judged to be less than outstanding in achievement or teaching not showing signs of improvement since its last inspection; progress measures showing that pupils or students were not making good progress in comparison with similar groups nationally; or below-average attendances showing little sign of improvement. Many factors can act as a trigger for an inspection.

The hon. Gentleman also raised the issue of admissions. I thank him for his attention to detail in scrutinising the codes, but I can assure him that they are statutory. "Must" means "must" in those codes; they have the full force of the law. On his wider point, the vast majority of the changes can be implemented quickly, but there are cases in which they might take longer than 14 days, at which point 15 April will form an ultimate backstop. The key point in paragraph 3.1 of the code states that the adjudicator's direction should be implemented as quickly as possible.

Kevin Brennan: I thank the Minister for his comments. Would he be prepared to put it on the record that going right up to 15 April should happen only on very rare occasions, rather than in the majority or a large minority of cases?

Mr Gibb: What I will put on the record are the words used in paragraph 3.1 of the code, which states that admission authorities must where necessary revise their admission arrangements as quickly as possible, and no later than 15 April, following the decisions to give effect to the adjudicator's decision. It goes on:

> "An Adjudicator's determination is binding and enforceable."

I will come back to that point when I address the hon. Gentleman's amendments in more detail.

On Ofqual, the power to fine would be used only where that was the most proportionate response to an incident of non-compliance with its conditions. As I have said, Ofqual will consult on the use of its power and will publish a full statement as part of its qualifications regulatory framework setting out how and under what circumstances the power will be used. That will make clear Ofqual's expectation that only serious or persistent breaches will lead to a fine. Of course, it will allow 12 weeks for responses to that consultation.

Mr Graham Stuart: Can my hon. Friend give examples of instances in which such a measure might have been triggered in the past?

Mr Gibb: The incidents I would cite are those from this summer when there were persistent errors. The persistence came, in particular, after we had asked the awarding organisations to check that there were no further errors. They did those checks and confirmed that there were none, but then further errors were discovered and damage was caused. That is an example of persistence in the errors we are trying to eliminate from the system.

The hon. Member for Cardiff West asked for an explanation regarding Lords amendments 89 to 91 about land. The Bill introduces new powers to transfer the publicly funded land of foundation and voluntary schools and academies to free schools and academies when those schools close or the land is to be otherwise disposed of. Lords amendments 89 to 91 reduce the reach of those new powers so that they do not apply to land that is leased to a new academy by a private landlord. Where we are engaging in commercial negotiations with private landlords for the lease of land to new free schools, we think it is more appropriate to protect any public investment in that land by contractual means rather than in statute.

The hon. Gentleman also raised the PFI issue and I am happy to restate the purpose of amendment 34. Under section 6(2) of the Academies Act 2010, a local authority "must cease to maintain" a school once it converts to academy status. Some banks and local authorities have asked whether that prohibition on maintenance might prevent a local authority from making a payment under PFI or other contracts. Our view is that local authorities have always been able to use their own resources to provide assistance, including financial assistance, to academies and to enter into contractual commitments and incur liabilities on their behalf. We are clear that section 6(2) of the Academies Act does not prevent the continuation of those activities. All academies are and will continue to be maintained by the Secretary of State under funding arrangements entered into under section 1 of the Academies Act, and any assistance provided by local authorities to academies, whether financial or otherwise, will only ever be a proportion of the total expense. Amendment 34 therefore confirms that local authorities can continue to make payments for academies under PFI and other contracts.

My hon. Friend the Member for Bedford and the hon. Member for Cardiff West raised the issue of direct payment pilots. The Minister of State, my hon. Friend the Member for Brent Central (Sarah Teather), who has responsibility for children and families, wrote to peers in the other place explaining the importance of introducing this new clause and consulted on the text of the draft clause, including in relation to special educational needs and disability organisations as well as local government interests. The principles behind the clause—greater choice and control for the families of children with SEN—are shared across the House. Indeed, the clause is modelled on legislation on the direct payment health pilots that were introduced by the previous Government. Let me reassure hon. Members that the orders needed to give practical effect to the clauses are subject to the affirmative procedure. These are, after all, powers concerning pilots rather than a national scheme and the clause has a sunset provision of four years.

My hon. Friend the Member for Beverley and Holderness asked about anyone being able to refer complaints to the adjudicator. We do not believe this change will lead to many more complaints. The regulations on which we are currently consulting will ensure that repetitive, vexatious or anonymous complaints cannot be made. I hope that will provide him with some reassurance. On the issue of spite, which he also raised, "anyone" does mean anyone, so it could be a school or a charity. The only proviso is that they must be willing to put their name to objections and to refer matters that are new or substantially new to the adjudicator.

My hon. Friend asked about consistency in the referral of misconduct cases by schools to the regulator. Evidence suggests that there is already variation in referrals despite the blanket duty on employers to refer all cases, and this duty has not been affected. Employers will know when a case of misconduct is serious enough potentially to require a referral from the profession, and they can use the draft prohibition guidance, which I can send to my hon. Friend, to help them make this decision. If a member of the public is not happy with the decision, they can refer a complaint to the Secretary of State.

My hon. Friend also asked about Ofsted's capacity to deliver more rigorous assessments. We have discussed and agreed the more rigorous risk assessment, and Ofsted has the resources necessary within its budget to achieve this. Every organisation has to prioritise its resources in the current economic climate and Ofsted is no different.

I thank my hon. Friend the Member for Bedford for his continued and vocal support for academies and free schools. I assure him that it is right that admissions at academies and free schools must comply with the admissions code as set out in their funding agreements. As with all other state-funded schools, complaints about admissions will now go to the adjudicator.

My hon. Friend also raised concerns about particular families who do not adopt personal budgets—one third is the figure he cited—and the support they require. He argues for having pilots, and that is what the new clause does. I share his concerns about the possible burdens on families. That is why the pilots will look at the support available to families and how the system can be as straightforward as possible to use, as well as at which families take up those payments and which do not. On the point that the hon. Member for Cardiff West made, cost-cutting is not a driver for this policy—it is about having greater choice and control.

On the issue of Ofqual and how the Conservatives could support a regime of fining by a regulator, my hon. Friend the Member for East Hampshire set out the reasons why the qualifications market needs to be regulated. I should like to make it clear that turnover will be determined in accordance with an order made by the Secretary of State and that Ofqual will consult on how the fining regime is to operate.

I listened carefully to the comments of my hon. Friends the Members for Bedford and for Stevenage about primary schools. Primary national offer day will be 16 April. The idea is to co-ordinate the date rather than to put any new pressure on parents to get their children into certain primary schools. It merely makes things easier and less stressful for parents rather than more stressful.

[Mr Gibb]

Let me deal briefly with some of the amendments tabled by the hon. Member for Cardiff West. He will know that we have listened carefully to the concerns expressed in this House and in the other place in response to our original intention to withdraw schools and colleges from the duty to co-operate. The evidence of that engagement is clear in these Lords amendments. We have removed the "duty to co-operate" clause as well as the clause that the hon. Gentleman seeks to amend regarding the children and young people's plan.

The hon. Gentleman's amendment (a) to Lords amendment 23 relates to our plans to allow anyone to refer an objection to the schools adjudicator about the admissions arrangements at any state-funded school in the country. The amendment would require admissions authorities and others to comply with the adjudicator's decision within 14 days of receiving written notice of that decision. Current legislation in this area, which was introduced by the Labour party, requires compliance to be forthwith. Let me assure the House once more that our changes to admissions do not affect the adjudicator's power to consider and decide on the matter put to him and other matters as he sees fit, or to make binding decisions as a consequence. The amendment would impose a stringent national timetable for the implementation of such decisions. It is based on two false assumptions—first that schools do not wish to put things right, which they do, and secondly that all situations are the same, which they are not. On that basis, I hope that the hon. Gentleman will not press his amendment to a Division.

Kevin Brennan: I am grateful to the Minister for those comments, but can he firm up what he has said by making it clear from the Dispatch Box that he sees no reason why, in the vast majority of cases, the schools adjudicator's ruling should not be implemented if not forthwith, then within a very short period of time and certainly not at the last possible moment?

7 pm

Mr Gibb: I have already responded to the hon. Gentleman's point by quoting paragraph 3.1 of the admissions code. That makes it very clear that these changes should be made as soon as possible and that they are binding.

On school governing bodies, I pay tribute to my hon. Friend the Member for Stroud for speaking up for the key role governors play in schools and for the important work he is undertaking in establishing the all-party group on school governors. I am also grateful to my hon. Friend the Member for North Cornwall (Dan Rogerson) for his helpful intervention on staff and local authority governors and for his welcome for the amendments he has inspired. We have made concessions on staff and local authority governors, and I therefore hope the amendment in question will not be pressed.

Lords amendment 27 on the regulations specifying which schools are to be exempt from routine inspection was made because of a specific concern raised by Lord Hunt of Kings Heath: that regulations made through the negative procedure could be extended beyond outstanding schools to whole categories of school—such as all academies or all faith schools—regardless of their inspection history, without sufficient parliamentary scrutiny. To provide reassurance on that, the Government propose that any subsequent changes to the first set of regulations, which have been made available to Members as indicative regulations since March, would require approval through the affirmative procedure. The amendment made in the other place will allow for appropriate scrutiny by Parliament. It is not necessary for the first set of regulations to be subject to that because it has been fully consulted on. We shall reflect on the points raised both in this debate and elsewhere before finalising those regulations.

I hope the amendments to the Lords amendments will not be pressed to a Division, and I commend the Lords amendments to the House.

Lords amendment 1 agreed to.

Lords amendments 2 to 26 agreed to, with Commons financial privileges waived in respect of Lords amendments 16 and 23.

Clause 39

SCHOOL INSPECTIONS: EXEMPT SCHOOLS

Amendment (a) proposed to Lords amendment 27.—(Kevin Brennan.)

Question put, That the amendment be made.

The House divided: Ayes 196, Noes 284.

Division No. 395] **[7.3 pm**

AYES

Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Burden, Richard
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Francis, Dr Hywel
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul

Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Love, Mr Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
McCabe, Steve
McCann, Mr Michael
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meale, Sir Alan
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Seabeck, Alison
Shannon, Jim
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watts, Mr Dave
Whitehead, Dr Alan
Williams, Hywel
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Nic Dakin and
Yvonne Fovargue

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Bebb, Guto
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burrowes, Mr David
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crouch, Tracey
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Dorrell, rh Mr Stephen
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Gray, Mr James
Green, Damian
Greening, rh Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Dr Julian
Liddell-Grainger, Mr Ian

Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Maude, rh Mr Francis
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim

Tellers for the Noes:
Mr Philip Dunne and
Mark Hunter

Question accordingly negatived.

Lords amendment 27 agreed to.

Clause 41

INSPECTION OF FURTHER EDUCATION INSTITUTIONS: EXEMPT INSTITUTIONS

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): I beg to move, That this House agrees with Lords amendment 28.

Madam Deputy Speaker (Dawn Primarolo): With this it will be convenient—

Mr Hayes *rose—*

Madam Deputy Speaker (Dawn Primarolo): If the Minister could just hold himself back for a second, with this it will be convenient to discuss the following:

Lords amendment 29, and amendment (a) thereto.

Lords amendment 36, and amendment (a) thereto.

Lords amendments 39, 43, 47 to 71, 99 and 100.

Mr Hayes: My enthusiasm to rise to speak to the amendments is indicative of the thorough scrutiny that the Bill has enjoyed here and in the other place, and of the spirit in which that scrutiny has taken place.

If I may, I shall speak first to Lords amendments 47 to 71, which make important changes to schedule 12 and further strengthen the provisions that strip away unnecessary central controls over the governance and dissolution arrangements of further education colleges and sixth-form colleges.

You, Madam Deputy Speaker, with your usual assiduity, will have seen those provisions in the context of the Education Act 1944. In bringing that legislation to the House, the then President of the Board of Education as he was known, Rab Butler, said that it is not possible

> "to start colleges 'out of the blue,'… It is essential that the House should realise that direction by the State from the top is not the right way to administer this vast matter. What is wanted is to encourage the desires, appetites and feelings of those who wish for different forms of adult education and then to try to meet them as far as possible. As long as we follow that line, I can tell the House that it is our desire to reform and bring up to date the adult education system and to make a great stride forward in this regard."—[*Official Report*, 12 May 1944; Vol. 399, c. 2261.]

Just as a stride forward was made then, so a stride forward is being made now, although I would not claim to be as great as that very noble and distinguished gentleman, Mr Butler.

In speaking to these amendments, however, the important thing to make clear is the Government's absolute unwavering and unabridged commitment to the creation of a freer, more responsive further education and skills system—one that is based upon the principles of fairness, shared responsibility and freedom from central Government controls.

I say that not for any doctrinaire reason, but simply because of this enduring truth: unless we make the system sufficiently nimble to respond to dynamic demand, it will not be fit for purpose. Through the Bill, and in that spirit, we propose to remove a raft of unnecessary and prescriptive duties and to reduce the control of the Government and their agencies over the affairs of colleges.

Steve Rotheram (Liverpool, Walton) (Lab): I have written a letter to the Minister on what he has been saying about apprenticeships and supply and demand for apprenticeship places. I am not talking about funding because we have had the debate about the Government providing funding; I am talking about employment opportunities. Is he aware that a training provider called the Liverpool Construction Academy in my constituency is due to close its doors on 25 November, with the loss of hundreds of apprenticeship opportunities and the jobs that go with them?

Mr Hayes: The hon. Gentleman is a great champion of apprenticeships, having been an apprentice himself. He understands the value of apprenticeships in providing people with the skills not only to get a job, but to lead more fulfilled lives. I hear what he says about his particular constituency interest and he will expect me to respond in a similar spirit by saying that I am more than happy to meet him to discuss that matter in some detail. However, I am sure he understands that you will not allow me to go into great detail about that tonight, Madam Deputy Speaker.

Mr Greg Knight (East Yorkshire) (Con): I applaud what my hon. Friend has said so far. Does he appreciate that there is an ongoing demand for apprenticeships, particularly in the historic vehicle restoration movement, where expertise is needed? Any burning of red tape in that industry that would lead people to take on more apprenticeships would be most welcome.

Mr Hayes: As ever, my right hon. Friend makes a valued, wise and richly-coloured contribution to our affairs. His expertise in that field is unparalleled in this House and, of course, I take his recommendation seriously; indeed, he has raised the issue with me already. As he knows, I can tell the House that I am taking up the matter with an assiduity that is a mere token compared with his diligence, which has brought him such prowess in this place and elsewhere.

Mr Knight: Although I am delighted at what the Minister has said about me, I suppose he and I ought to declare an interest because we both may need the services of future apprentices in maintaining our historic vehicles.

Mr Hayes: My hon. Friend is right. We ought to declare that we share an interest in that topic and that we might have some personal interest in ensuring that there are sufficient craft skills to maintain our historic vehicles—although his demands in those terms are considerably more numerous than mine.

The sector has welcomed the proposals to offer colleges more freedom. Colleges have long called for such an approach. In the long years that I spent in the shadows before the electorate elevated me to the light, I remember hearing from colleges across the country that they hoped, wished and longed for a Government who would recognise that power is best vested in the hands of those closest to where it is exercised. Colleges should be able to respond to their learners and employers in the way the Bill facilitates. It is therefore unsurprising that, in the public evidence sessions of the Bill, the Association of Colleges said in written evidence that the legislative requirements removed by the Bill,

> "will strengthen rather than diminish the historic community role of Colleges and strengthen the importance of strong governance".

I wholeheartedly agree.

Lords amendments 47 to 71, changes which I recognise were made late in the Bill's passage through the other place, have been made in the context of a changed further education landscape. In October 2010, the Office for National Statistics announced its decision to reclassify FE colleges to the public sector for the purposes of the national accounts. That decision exposes colleges to the full rigours of the Government expenditure regime and means that they will lose the flexibility to phase expenditure between different financial years and that they will need to work within a financial year that does not line up with their academic year. Such a decision also makes it likely that the very freedoms that were introduced to enable them to borrow without seeking permission will need to be taken away from them, and that even tighter constraints will need to be introduced.

I would like to thank Baroness Sharp for raising those issues in the context of the sterling work she is doing as chair of the inquiry into colleges in their communities. In debating these important amendments, it is vital for me to emphasise the significance of the ONS decision. We were already well on the way to freeing the sector from some of the diktats, bureaucracy and unnecessary regulation that had so hampered and inhibited people from exercising their long-cherished desire to respond proactively to the interests of learners in the way I have described. Nevertheless, the ONS's reclassification has turned our desire into an imperative and we are working closely to try to persuade it to rethink that classification, because it will have profound effects on the FE sector. The late changes made in the other place, which we are debating for the first time in this House today, were made because of that ONS classification. Those and other controls would all act as significant barriers to college growth and would stifle innovation and creativity in our further education sector. As I said, it is our intention to make the necessary legislative and administrative changes to encourage the ONS to reclassify colleges back to the private sector which, as my noble friend Lord Hill said in the other place, is where successive Governments have wished them to be.

I want to mention the ability that Lords amendments 49, 58 and 69 will give colleges to modify or replace their instruments and articles of governance. In the world I have described—the picture I have painted—the additional freedoms that colleges will enjoy necessitate a new approach to governance. We need colleges to rise to the occasion. I am confident that they will, but it is partly a case of rethinking how colleges are governed. Colleges will continue to be required to comply with a statutory governance framework, but that has been significantly simplified to allow colleges the freedom to decide how best to shape their governance arrangements to meet the needs of their learners, employers and the local community.

May I say a word about the work that the Association of Colleges is doing in that regard? The association is working on a set of model instruments and articles that are framed in the new environment of greater discretion and freedom. There is immense human capital in colleges but, too often, it has been locked up because of the approach taken by previous Governments. There was a view that it was best to dictate, predict and provide from the centre. That is not this Government's view. For example, as a result of the amendments, colleges will no longer have to seek the Government's permission

[Mr Hayes]

to add more members to their governing body or to determine whether a job vacancy should be advertised nationally.

Those are important aspects of a college's governance, but they are not things in which the state should be involved. The use of that power will not be compulsory. If colleges are content that their existing arrangements support them to meet the needs of local learners and employers, they will not have to change them. The benefit of the changes is that the decision over when and how colleges exercise those powers sits firmly with them. I mentioned that such measures have been welcomed by colleges themselves. They were, for the most part, also warmly welcomed in the other place.

Andrew Percy (Brigg and Goole) (Con): The Minister is making an excellent speech on the amendments. Will he tell us whether the Lords amendments will make it easier for colleges to work in partnership with schools or to offer and perhaps enrol pupils themselves at secondary level? He may know about a college in my area that wanted to enrol pupils but could not do so unless it went through the pupil referral unit route and they were classed as excluded. Will these changes make it easier for a college to work in partnership with schools in the local area?

Mr Hayes: I am grateful to my hon. Friend. I think that these changes will enable colleges to form new kinds of partnerships and collaborations with other institutions in the sector and beyond, with businesses, and with a whole range of community-based organisations. I see this as an opportunity for a more eclectic system that is as different as the needs of each locality. I do not want to see a vanilla-flavoured product dictated from the centre; I do not want that kind of ugly ubiquity to characterise our further education system.

7.30 pm

Bob Stewart (Beckenham) (Con): Will the Minister give way on that point?

Mr Hayes: On the point of ugly ubiquity, I happily give way to my hon. Friend.

Bob Stewart: In my constituency we have Bromley college, and I have been speaking to people there. Will these changes allow Bromley college to control more properly the fees that it has to charge? At the moment, it is affiliated to Greenwich university and is being forced to charge fees that it does not want to charge, which is very much against the spirit of what we are trying to do. Can it have the freedom to seek other partnerships in the way that we have been discussing—for ordinary degrees, for example? There must be some way in which colleges, which we all want to charge the minimum fees, can actually charge those minimum fees rather than be forced to raise them.

Mr Hayes: My hon. Friend is the very antithesis of both ugliness and ubiquity; indeed, he is known for his integrity and truthfulness. As Keats understood, and Shaftesbury in the other place later, truth and beauty are intrinsically linked, and so my hon. Friend's truthfulness has an aesthetic all of its own. On the specific point that he raises, the way in which colleges have, over time, been dictated to and controlled from the centre has largely been about funding mechanisms. Colleges have danced to a tune set around funding. He is absolutely right to say that greater freedom means being more flexible about funding. It means allowing colleges to devise the kind of offer that is right for their locality in the kinds of partnerships that my hon. Friend the Member for Brigg and Goole (Andrew Percy) described, and funding needs to reflect that.

We are on a journey, and not all of it can be done overnight. When I came into the job, I was able to put in place a number of important changes that stripped away some of the central control. Since that time, we have done more, and these amendments go a step further. But this is not the end of the journey. The destination we seek is what I began to describe a moment ago—a more eclectic, more responsive and more dynamic system. I am not, as you know, Madam Deputy Speaker, one to overstate my virtues, but I would go so far as to say that what we are doing in further education is a model of public service reform: a deregulated system that is free to respond to local circumstances; dynamic and innovative; flexible and, in my judgment, imaginative—I make no apology for using that word—about exactly what it does and how it does it; and uses funding to feed that kind of new beginning. As I said, though, I do not want to overstate the case.

Mr Knight *rose—*

Mr Graham Stuart: Will my hon. Friend give way?

Mr Hayes: Once more, and then I must return to my notes.

Mr Stuart: My hon. Friend could see one of the reasons for the need for flexibility if he came to visit Beverley, as I have frequently invited him to do, where our excitement grows with each delay until he does so. He would see the area where the new East Riding college was to have been built but, because of the mess that was made of FE capital funding under the previous Administration, it looks like a bomb site in the middle of Beverley. As we move forward with these freedoms and with the excellent leadership that we have at East Riding college, I hope that we will see the college on that site in the near future.

Mr Hayes: Every day a new invitation for me to visit a different part of the country arrives, each one more seductive than the last, but none more attractive than the overtures of my hon. Friend the Chairman of the Select Committee. Tonight I will do what I rarely do in the House: I commit, from the Dispatch Box, to visit his college, because he has made this case so frequently and persuasively that I feel that I have been less than generous in my response thus far. I will certainly come to look at the specific circumstances that he described in his—as usual—pithy and well-informed intervention.

Mr Knight *rose—*

Andrew Percy *rose—*

Mr Hayes: I will give way once more to my hon. Friend the Member for Brigg and Goole and then I must return to my text.

Andrew Percy: Now that my hon. Friend the Member for Beverley and Holderness (Mr Stuart) has seduced the Minister into visiting East Riding, can he, while he is there, show us a bit of ankle and come to visit Goole as well?

Mr Hayes *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. Perhaps I may help the Minister by saying that if he returns to his notes, his diary might not get so full.

Mr Hayes: That is wise advice, Madam Deputy Speaker, and it is taken in the spirit in which it is given.

Mr Knight: Will the Minister give way?

Mr Hayes: No, I will make a little progress, if I may, and then I will give way again.

Mr Knight *rose—*

Mr Hayes: I have made it clear that I am not going to give way at this juncture, because I fear that my right hon. Friend is trying to encourage me to stray, but I will give way to him in a few moments when I have made a little more progress.

There was a debate in the other place on the importance of staff and student governors in colleges. Ensuring strong staff and student representation on a governing body is of importance to me. During the passage of the Bill, I have had positive discussions with the National Union of Students and the University and College Union on this subject, as has my noble Friend Lord Hill. We were anxious to ensure that staff and student involvement helped not only to inform good practice in colleges but to shape the offer in those colleges. As a result of those discussions, we continue to require colleges to have such governors on their boards. The House will want to be reminded that this requirement was warmly supported by Baroness Jones of Whitchurch, who was

"pleased…that this commitment"

was

"honoured in both spirit and practice in the amendment"

that was brought before the Lords and that we are discussing this evening. In fact, Baroness Jones went further and acknowledged that our amendment

"is indeed better than that tabled by those on our own Benches on this issue".—[*Official Report, House of Lords,* 9 November 2011; Vol. 732, c. 332.]

How often does one receive a tribute as generous, but as deserved, as that?

I now happily give way to my right hon. Friend the Member for East Yorkshire (Mr Knight).

Mr Knight: I am most grateful to the Minister, who is being very generous in giving way. He spoke earlier about taking us on a journey, and even earlier he quoted Rab Butler. May I remind him of what Rab Butler said about journeys—that it is best to get off the train before it hits the buffers? With the light-touch approach that the Minister is suggesting, is there not a danger that some colleges may move assets overseas, to the detriment of the British taxpayer?

Mr Hayes: It is true, of course, that as we free up the system, some of the controls that have previously been in place—some of the levers that the Government could pull—will no longer be there. Frankly, however, I have to say to my right hon. Friend, to whose assiduity, eloquence and wisdom I have previously paid tribute, that if the price of freedom is that loss of control, it is a price worth paying for the benefit it brings in the kind of innovation, exercise of imagination, responsiveness and dynamism to which I drew the House's attention earlier. That was certainly the view of the other place and, in general terms, the view of the Committee as we went through the Bill. There is growing cross-party acknowledgement that we can no longer predict and provide—that we do indeed need to create a more responsive system. I say that because the character of our economy is changing. Economic need is increasingly dynamic, and a system that is controlled from the centre would never be sufficiently nimble to respond to that commercial need. That is now widely acknowledged. The difference is that we are going about this with purpose, energy and enthusiasm.

Let me return to staff and student representation. It is important that we see the statutory requirement that I have described merely as a baseline. There are all kinds of other good things that we can do in terms of staff and student representation, but representation on governing bodies, it was argued persuasively, should be a baseline. Lords amendment 51 extends those changes to institutions that are not college corporations, but that have been designated by legislation to receive public money for the provision of further education. It would come into effect should they decide to change their existing instruments and articles.

Lords amendments 50 and 58 give colleges the power to close themselves, which is known as dissolution. Currently, only the Secretary of State can dissolve a college. The amendments remove that power from the Secretary of State and give colleges control over their own dissolution. Colleges will also have the ability to transfer their property, rights and liabilities to another person or body for the purposes of education. These amendments and the regulations that will be laid in support of them include a number of safeguards to ensure that any dissolution decision is taken only when all those affected—staff, students and the local community—have been properly consulted, and that the process will be transparent, recognising that colleges are providers of an important public service.

In Committee, the hon. Member for Hartlepool (Mr Wright), who is not in his place, but who was a diligent member of the Committee, raised questions about the likelihood that colleges would fail with these new freedoms. There is no evidence to suggest that the extra freedoms will increase the risk of failure. Notwithstanding what I said about the growing understanding of the need to allow colleges to be more locally responsive, it is worrying that there are those who believe that colleges will not rise to the challenge of the new freedoms and who believe that only through central Government control can we give the necessary protection to the common interest, which I have no doubt was in the heart of the

[Mr Hayes]

hon. Gentleman. I do not think that he is right. Colleges have shown time and again that when they are given the opportunity to be their best, unrestricted, they can be so.

I am keen to address that point in more detail in relation to the amendments. Further education is a high-performing sector, with more than 95% of colleges judged satisfactory or better. Sometimes further education has been treated as what Sir Andrew Foster described as the "neglected middle child" of education, somewhere between schools and higher education. I see it more as the prodigal son, and not just that, but the prodigal son grown up. I want further education to be a favoured part of our education system because of the difference it makes to so many lives. The important thing is to ensure that where problems occur, there are robust monitoring and support systems so that colleges are given the opportunity and help to recover. It is right that we have in place the proper protections from failure because, as I have described, public interest is involved. A great deal of taxpayers' money is involved too. However, we should not get to the point of creating an immense infrastructure to manage the college sector.

I think that it is correct to say, albeit with the benefit of hindsight, that after incorporation and the freedoms that colleges enjoyed as a result, we responded in a heavy handed way to the occasional, rare incidents of failure. It is reasonable to conclude that the advent and actuality of the Learning and Skills Council was an overreaction to the challenges associated with the new freedoms.

Andrew Percy: Will the Minister explain in more detail the process for consulting the local community, if a college fails or chooses to dissolve itself? I know he has said that that will be set out in regulations, but will he give us some idea of the robustness of the consultation that he has in mind?

Mr Hayes: In those exceptional circumstances, I would expect the consultation to be as full as possible. By that I mean that the views of all parties with a direct interest in the college's affairs, including the local businesses engaged with the college, local learners and the wider community—the family associated with the college—should be sought fully over a proper timetable. Whatever means are necessary should be used to access those opinions.

7.45 pm

Those circumstances will be rare, but I give an absolute assurance that the consultation will be full, fair and frank; that no action will be taken that would endanger the interests of the people whom I have described; and that the Government will play their part in ensuring that that takes place. As I have said, further details will be available to the House when regulations are laid.

As I have said, 95% of colleges improve after receiving support, but in the rare cases where recovery is not achieved and there is evidence of significant mismanagement, legislation gives the Secretary of State the power to intervene as a matter of last resort. I hope that that assures my hon. Friend the Member for Brigg and Goole that the protection of students and public investment is of fundamental importance. Although we are creating a very different regime for colleges, we will not neglect our duties in that regard.

Mr Graham Stuart: I would like to take the Minister back to the intervention from my right hon. Friend the Member for East Yorkshire (Mr Knight). In East Yorkshire, the Harrier was developed with a lot of taxpayers' money and then shipped abroad to become an American aeroplane. We rather fear that the Hawk will follow. Will the Minister reassure us, in more specific terms than he used in response to my right hon. Friend, that a college will not be so free that it can leave the country with its assets, if it suits the organisation rather than the needs of the taxpayers?

Mr Hayes: As I have said, where public interest is in jeopardy, the Secretary of State will retain powers under the Bill to intervene as necessary. I paid tribute to my hon. Friend a few moments ago for his patient endurance in respect of my forthcoming visit to Beverley. It was Ruskin who said,

> "Endurance is nobler than strength, and patience than beauty."

We can therefore take it that my hon. Friend is a patient endurer, more noble than strength and beauty. It is likely that the circumstance he describes would happen only rarely, but it is important that when a college wishes to transfer its property, rights and liabilities to another provider, the Secretary of State retains the kind of powers that he requested.

Lords amendments 53, 56 and 62 reinstate statutory safeguards relating to the specific governance and constitutional arrangements of voluntary sixth-form colleges that were inadvertently removed by the Apprenticeships, Skills, Children and Learning Act. It was the previous Government's view that legislation should reflect the distinct constitutional position of voluntary sixth-form colleges, and they confirmed that they would look to reinstate those protections through legislation. We agree with that view, and it is what the amendments do. The new provisions cover what was afforded by previous legislation or Secretary of State directions.

As Members know, I am a keen advocate of freeing colleges from central prescription, direction and control. Such things inhibit a college's ability to become the master of its own destiny and stifle innovation and growth in our further education sector. The changes in the Bill will enable the Government to present the best case possible to encourage the Office for National Statistics to review its decision to reclassify colleges into the public sector. However, we are not merely responding to the ONS; we began this programme of reform long before we knew about the ONS reclassification. Indeed, it was one of the first things that I set out when I became a Minister. The changes that we have made in the Bill, including the ones that we have introduced at a later stage, are entirely in the spirit of the policy direction set out in the skills strategy which I published, following extensive consultation, last autumn. Indeed, they are in the spirit of the further consultation in which we were involved over the summer, which will lead to the publication of "New Challenges, New Chances".

The truth is that the ONS reclassification has been a further spur to us, but has not caused us to change direction. If anything, it has cemented our determination to consider every aspect of college management and every means by which we could free colleges from bureaucracy and direction. That fresh thinking has inspired the changes that have been made to the Bill.

As I have said, the changes, and our efforts to secure the private sector reclassification of colleges, have been welcomed, not least by the Association of Colleges. It considers that they will provide colleges with additional flexibility, allowing them to respond effectively to their local community and economy. I should like to place on record my gratitude to the Association of Colleges for its guidance and support, and indeed for how it has challenged us, in helping the Government develop this impressive legislation.

Lords amendments 28, 29 and 39 concern the business of colleges and inspection. You will remember, Madam Deputy Speaker, the report that the previous Government commissioned from Sir Andrew Foster. I have a copy of the summary here. They asked him to examine the potential of further education, and he concluded that the landscape that it faced was

"crowded with organisations charged with inspection, improvement or regulatory functions. There is unnecessary complexity and duplication of effort and further rationalisation is required."

He also recognised, I think, that we needed to rethink how colleges were gauged, inspected and monitored. Knowing that we had some outstanding further education colleges in this country, we decided that the time was right to look afresh at inspection and regulation.

In that context, some of the comments that the Minister of State, my hon. Friend the Member for Bognor Regis and Littlehampton (Mr Gibb), made about schools pertain to colleges too. He dealt with the issue of the inspection of schools earlier this evening, and some of the same principles apply to colleges. In my visits to colleges across the country, I have continually been impressed by the quality of teaching, the standard of learning and the innovative systems that colleges put in place to maximise learners' potential.

Lords amendments 28 to 30 provide for greater parliamentary scrutiny of regulations exempting further education colleges from inspections, by requiring that all regulations except the first set be subject to the affirmative procedure, so that both Houses can be assured that a full debate will happen before further colleges are exempted. We decided very early on that we wanted to limit the inspection of further education colleges, as we did in the case of schools. However, it is important that that exemption is qualified in the way that I have described. The Prime Minister spoke today of coasting schools, and nor do we want to see any coasting colleges. Although there is little evidence of them, it is important that the House can debate the matter as further exemptions take root.

I turn to Lords amendments 36, 43 and 100, which put the legal framework for apprenticeships on a more sustainable and realistic footing. I need not regale the House at length with how passionately I support apprenticeships—at least, not for more than a few minutes. As you know, Madam Deputy Speaker, I have championed apprenticeships both in opposition and in government, and the Government have turned our rhetoric into action by delivering the biggest growth in apprenticeships in modern times. I have said before, and I am happy to say now, that there is more work to be done. As we make that growth sustainable, we will need to consider bureaucracy and the quality and age spread of apprenticeships. It is absolutely right that we should do that, but let us not understate the growth that we have seen—29% growth in under-19 apprenticeships and 64% growth in 19-to-24 apprenticeships over two years, and a big jump in post-25 apprenticeships.

It is important to say that the previous Government had the same aims. Many times, previous Ministers, including the previous Prime Minister, estimated the likely jump in the number of apprenticeships and the number that would be necessary to fill skills gaps. However, this Government are actually delivering. We are making more opportunities available to more people to add to their skills, which will increase their chances of getting, keeping and progressing in jobs. We know from independent research that someone who has a level 2 apprenticeship is likely to earn £70,000 more over their earning lifetime than somebody who has not, and that somebody with a level 3 apprenticeship is likely to earn more than £100,000 more. That is roughly equivalent to a degree.

Margot James (Stourbridge) (Con): I congratulate my hon. Friend on the amazing increase in apprenticeships that he has outlined. I met my local college, Stourbridge college, and other colleges last week, and they reported a huge increase in apprenticeships over the past six months. Is he aware of another route into apprenticeships, which emerged during a meeting that I had the previous week with Stourbridge jobcentre? It reported that among 18 to 24-year-olds a route in was via two-week work experience placements. In many cases, they were being converted into apprenticeships.

Madam Deputy Speaker (Dawn Primarolo): Order. It is very interesting to hear of the extensive commitment that the Minister has personally to apprenticeships, and indeed to hear the point that the hon. Member for Stourbridge (Margot James) has made, but we are discussing Lords amendments. Although Lords amendment 36 is about securing the provision of apprenticeships in certain regulations, the debate is going a little wide of that. Perhaps the Minister could relate his comments to the amendments.

Mr Hayes: I was not going to be encouraged to speak lyrically about work experience, although I could, but I hear and value what my hon. Friend the Member for Stourbridge (Margot James) says.

Amendments 36, 43 and 100 deal specifically with the so-called apprenticeship offer. As I said, apprenticeships play a key role in promoting growth and prosperity in British business and give renewed hope and purpose to our young people, who are so affected by the present climate. Through the Bill, we are redefining the apprenticeship offer. We are moving away from what I regard as an unrealistic guarantee that sought to require the Government to tell employers whom they should and should not employ. The previous Government took the view that the House could place a duty on the chief executive of skills funding to fund apprenticeships for anyone who wanted them. *[Interruption.]* The hon. Member for Cardiff West (Kevin Brennan) intervenes from a sedentary position, but he knows that in practice, the previous offer was undeliverable. There was much discussion of this matter in the other place. I pay tribute in particular to Lord Layard, who made this case forcefully and with whom I have enjoyed many discussions. He also writes persuasively about happiness

[Mr Hayes]

—I read a recent essay from him on that subject. Happiness is all of our aims, is it not, individually and communally?

8 pm

Mr Graham Stuart: Will my hon. Friend give way?

Mr Hayes: Is this about happiness?

Mr Stuart: I am always focused on happiness. I thought I could increase the Minister's sense of contentment if I attempted to correct him. Under the previous situation, there was an obligation not to fund an apprenticeship for anyone who wanted it but to provide one, outwith any ability necessarily to ensure that an employer came forward. That is why the Minister and the Government were right to make that alteration, not withstanding the complaints of Opposition Members.

Madam Deputy Speaker (Dawn Primarolo): Order. I am very glad that the hon. Gentleman got his point on the record, but we are not debating the previous Government's record or apprenticeships generally; we are debating amendments on quite narrow points in the Bill. I know the Minister is really eager to come back to that.

Mr Hayes: As you say, Madam Deputy Speaker, we are debating the character of the apprenticeship offer. This Government take the view that we need further to refine the legal framework for apprenticeships. The debate on this subject in the other place was on the character of that duty. Lords amendment 36 places a new duty on the chief executive of the Skills Funding Agency to make reasonable efforts to secure employer involvement in apprenticeships. That is so important because we have changed assumptions of the nature of apprenticeships. We take the view that apprenticeships should intrinsically involve employment—making an offer separate from employment seemed nonsensical.

I make that point because until relatively recently, some apprenticeships—programme-led apprenticeships, for example—were not tied to employment in quite the same way. Lords amendment 36 was the outcome of a great deal of hard work and good will, as I have described. The overtures made to me by Lords Layard, Wakeham, Willis and Sutherland persuaded the Government and my noble Friends to devise an amendment that satisfies the wishes of those who want to place a clear duty in the Bill, but not one that the Government think is undeliverable.

Although I know some feel that I have summarised the Lords amendments all too briefly, those amendments put apprenticeships, the freedoms about which I have spoken, the changed inspection regime, the different role for the Government, the new emphasis on skills, and the mantra—I decidedly and deliberately put it that clearly—of freedom, flexibility, innovation and dynamism, at the very heart of this legislation. I think they improve the Bill significantly and I look forward to hearing whether the Opposition think so too.

Stephen Twigg: It is always a great pleasure to speak opposite the Minister in such important debates. This is my first opportunity to do so from the Opposition Front Bench. The Minister reminded us that my noble Friend Lord Layard has written about happiness, about which he is an international expert, alongside my constituent Ken Dodd, who has been writing and singing about such matters for a very long time.

The Opposition have serious wider concerns about the Bill, some of which, including on schools, were addressed in the debate on the previous group of amendments. Other concerns, including those on information, advice, guidance and the careers service, are outside the scope of today's debate. I should like to focus on inspection, governance and apprenticeships. I echo many of the things the Minister said, and in particular his positive comments on the role of the Association of Colleges, and I look forward to attending its conference in Birmingham later this week.

I also echo what the hon. Member for Brigg and Goole (Andrew Percy) said about the importance of partnerships between further education colleges and the wider education system, including schools. In the debate on the previous group, we discussed the importance of co-operation and collaboration alongside autonomy and competition. We often discuss school-to-school and college-to-college co-operation and collaboration, but there is great scope for further co-operation and collaboration between schools and the further education sector.

Let me address the inspection of further education institutions. All hon. Members are seeking to strike a balance between autonomy and inspection—this is a similar debate to the one on schools, as the Minister said. Lords amendments 28 and 29 have much the same effect as Lords amendments 26 and 27. The former relate to further education institutions and the latter to schools.

The Opposition have a number of concerns that echo those we raised about schools, although they are not exactly the same. I should like briefly to put some of them on the record; they have been raised in previous stages both in this House and in the other place. We are concerned that exempting certain further education colleges from inspection will undermine the campaign for high standards in those institutions, and in particular we fear that the Government's approach is simply to rely on a market effect, which could let down, for example, students who are currently studying. Their institution could struggle and yet nothing will be done, and there is no trigger for them to make an inspection happen. It is possible—we debated this with respect to schools—for a further education institution that at one time was high performing to slip for some reason. The lack of an inspection regime in such a situation could be a major challenge.

The new Ofsted chief inspector, Sir Michael Wilshaw, was quoted in the previous debate by my hon. Friend the Member for Cardiff West (Kevin Brennan). The chief executive's point was about schools, but it applies to further education colleges as well—the principle is much the same. The conditions that would render a further education institution exempt from inspection are not clear. If the Minister has the opportunity, with the leave of the House later, I should like him to clarify the Government's thinking on when a further education college will be deemed exempt.

I understand that that thinking will be set out in regulations, but Lords amendments 28 and 29 mean that all regulations apart from the first set made under section (5) of the Education Act 2005 must be subject to the affirmative procedure. There is no requirement for an affirmative resolution the very first time the exemption criteria are outlined. I invite the Minister to explain his reasoning for that and to assure us that the measure is not simply being rushed through because of Ofsted's budget situation. Given the seriousness of the step that is being taken, and the lack of public consultation on it, the Opposition believe that there should be an affirmative resolution the first time as well as on subsequent occasions, and have tabled an amendment to that effect.

The Minister referred to issues of governance. As Lord Hill acknowledged on Report in the Lords, Labour peers, led by my noble Friend from the Labour Front Bench, Baroness Jones, made important arguments on this issue. Labour Front Benchers in the other place tabled an amendment to reinstate the rights of students and staff to be represented on further education colleges' governing bodies. As the Minister outlined, the Government brought forward an amendment on Third Reading in the other place to guarantee governing body places for staff and students. Lord Hill said:

> "It may help if I inform noble Lords of discussions between the noble Baroness, Lady Jones of Whitchurch, and my honourable friend, the Minister for Further Education, Skills and Lifelong Learning"—

the Minister—on her amendment to

> "retain requirements for staff and student governors…The Government have brought forward these changes to support our case for the private sector classification for colleges, in accordance with the policy of successive Governments. It was not our intention to encourage colleges to remove staff or student governors from college governance arrangements. I know that colleges greatly value the contribution that those governors make.
>
> Having listened to the arguments that were put to him by the noble Baroness, Lady Jones…my honourable friend"—

the Minister—

> "and I have spoken further. We have decided that the Government will return at Third Reading with their own amendment, which will give effect to what the noble Baroness's amendment seeks to achieve."—[*Official Report, House of Lords*, 1 November 2011; Vol. 731, c. 1135.]

Let me thank the Minister for his generous tribute to my noble Friend and also echo her thanks and appreciation to him and his colleagues in the Department for this important change to the legislation. Participation in the governance of FE colleges is an important part of student citizenship, as well as contributing to good governance. I would like also to put on the record our appreciation to the National Union of Students for its excellent work on ensuring that the relevant amendments were agreed.

Nobody in this House could doubt the Minister's personal commitment to apprenticeships. We welcome the amendments that impose a duty on the chief executive of the Skills Funding Agency to make reasonable efforts to secure employers' participation in apprenticeship training for all young people in the specified groups covered by the redefined offer—that is, 16 to 18-year-olds and 19 to 24-year-olds with a disability or learning difficulty assessment, as well as young care leavers. Without those amendments, the Bill would have simply taken opportunities away from our young people. The Minister mentioned the assiduity of my hon. Friend the Member for Hartlepool (Mr Wright) in Committee, where he said that the clause in question represented a wholesale degrading in the value the Government place on apprenticeships; that it is a retrospective step, stopping the duty to create apprenticeships for suitably qualified people; and that instead of creating jobs, transferring skills to young people, and boosting the economy, this clause does the exact opposite.

Lords amendment 36 is a significant improvement, but we believe that there is scope to go further. As the Minister has set out, under the legislation introduced by the previous Labour Government, the chief executive of the Skills Funding Agency had a duty to secure an apprenticeship place for every suitably qualified person within certain specified categories. The previous Labour Government's policy was that the agency was under a duty to find an apprenticeship for every qualified young person who wanted one. They had to be given two choices about the sector that they wished to enter. That was removed in the original draft of the Bill, but as the Minister has said, a cross-party group of peers, led my noble Friend Lord Layard, achieved an important Government concession that required the agency to make reasonable efforts to involve employers in apprenticeship training, which has led to Lords amendment 36, which we welcome.

The amendment was a cross-party amendment, tabled in the names of Lord Layard, Lord Wakeham, Lord Willis of Knaresborough and Lord Sutherland. Lord Layard said in the other place:

> "If you look at the situation in our country, it is clear that academic young people are offered a clear route to a skill and a useful role in society. They can see where they are going. That is not the case for less academic young people. There is no clear route that they can see they are entitled to go down. The result is low levels of skills and a degree of alienation…If you look at this from a young person's point of view, we are raising the education participation age. It is quite difficult to see how we are going to be able to do that in a way that is acceptable to young people unless these apprenticeship places are available to them. We need legislation that states the main aims of our education system. For that 16 to 19 year-old group, we have a lacuna. We cannot fill it by ministerial statements and assurances, as Ministers come and go. We expect the basic structure of our educational system to be reflected in the laws of the country."—[*Official Report, House of Lords*, 14 September 2011; Vol. 731, c. GC274.]

8.15 pm

I make no apology for quoting Lord Layard at some length, because he set out a challenge for us all, in all parts of the House, to address the issue—it is not a new issue, but one that none of us has got right in decades of trying—of how we provide a high quality route for those who will not necessarily follow the route into higher education. Through our amendment (a) to Lords amendment 36, we would like to strengthen the slightly moderate language used in the Government's nevertheless important concession. My concern is about what will count as "reasonable efforts". In particular, what rights of redress will young people have when they cannot get an apprenticeship and do not think that reasonable efforts have been made?

Steve Rotheram: My hon. Friend has outlined the move in emphasis away from securing employment for every qualified person and towards involvement with employers. Will he join me in congratulating Liverpool city council, for instance, which has decided to use an innovative model to create 2,000 new apprentices?

Stephen Twigg: I am delighted to join my hon. Friend and constituency neighbour in congratulating Liverpool city council, which, despite one of the worst funding

[Stephen Twigg]

settlements from central Government, has been able to create a new programme. I thank him for that opportunity, although I am in grave danger of moving beyond the scope of this debate, so I shall return to my speech.

Our amendment would change the term "reasonable" in Lords amendment 36 to "best". In contract law, making a "best effort" requires a higher level of commitment than making a "reasonable effort". Our amendment would place a greater duty on the chief executive to secure employer participation in apprenticeships for the specified groups and would reintroduce, in part, the previous Government's commitment, which placed a duty on the chief executive to find an apprenticeship for all who wanted one.

This is a major challenge for us all. In a recent speech, my right hon. Friend the Leader of the Opposition set out a new policy on apprenticeships, giving a commitment that in future all major Government contracts should

> "go to firms who commit to training the next generation with decent apprenticeships,"

and that none should

> "go to those who don't."

I invite the Minister today to consider making a similar commitment on behalf of the Government. I seek assurances from him about how the new clause proposed by Lords amendment 36 will be implemented in the context of the Government's broader approach to apprenticeships. For example, concerns have been raised about Train to Gain places being replaced or rebadged as apprenticeships. Today we have seen early coverage in the media of a report—to which I understand the Minister has contributed—by the Institute for Public Policy Research, due to be published later this week, setting out concerns that younger people are not getting a fair share of the increase in apprenticeships. I appreciate that there is a balance to be struck, and we very much welcome older workers having the opportunity to take up apprenticeships, but with youth unemployment almost certainly set to hit 1 million this week, we need to maintain the important focus on young people and the opportunity that is provided by having an apprenticeship place.

Mr Graham Stuart: The hon. Gentleman is giving a thoughtful speech. In light of his amendment (a) to Lords amendment 36, which seeks to ensure that the chief executive should try to make reasonable efforts to secure employers' participation, does he agree that we would not wish this or any other Government to get on the hook over the numbers? We must maximise the numbers, but also ensure that we have quality. If we have apprenticeships that do not lead to a major improvement in the earning potential of the young people in question, we will have betrayed them. If courses do not last long enough to give them the skills to raise their value in the market place, we will have betrayed them. It is important not only to provide opportunities, but to ensure that they are valuable opportunities that deliver lifelong benefits.

Stephen Twigg: I found myself in agreement with much of what the hon. Gentleman had to say in the earlier debate on schools, as I do with what he has just said. He makes a critical point, which enables me to bring my remarks to a close. Clearly, with 1 million young people unemployed, having high-quality apprenticeships is going to be a vital part of a strategy to address that problem, but it must not become simply a numbers game. I would like apprenticeships to become the gold standard of vocational education. I attended an Edge Foundation event a few weeks ago and made the point that it would be wonderful if the parents of a 17 or 18-year-old who gets an apprenticeship were as proud of their daughter or son getting that apprenticeship as they would have been of them getting into higher education. That should be what we aspire towards, and at the heart of that is quality, as the hon. Gentleman said.

Mr Stuart: In the light of the requirement to try to secure places, does the hon. Gentleman agree that apprenticeships need to be for a decent period and that an important part of making them work for employers—thus being provided and sustained in the long term—is that the rate of pay should not be too high? The aim should be to make the ticket at the end the valuable part; that is when the benefit comes. Keeping the rate of pay relatively low and ensuring that it lasts for a decent long time will mean that the apprenticeship will work for the company and that at the other end the young person will earn considerably more money.

Stephen Twigg: I might be told off by Madam Deputy Speaker, but let me say that the quality of the education and training elements of the apprenticeship are vital. What we must not do, however, is allow apprenticeships to become a form of exploitation. A balance has to be struck. Clearly, an apprenticeship should be first and foremost about quality education and training, but with a decent amount of pay, too, for those who are apprentices.

I am grateful for the opportunity to contribute to the debate. These are very important issues. I do not believe that any Opposition Member doubts the personal commitment of the Minister, particularly on apprenticeships. We have concerns that we have expressed previously about the impact of other changes—the abolition of the education maintenance allowance and the trebling of tuition fees—and we would be very concerned if there was any weakening of the apprenticeship brand. Let us perhaps forge a cross-party national consensus to the effect that we want apprenticeships to increase in number, but more importantly we want to see them as a high-quality gold standard for those young people who follow a vocational route of education.

Mr Hayes: The hon. Member for Liverpool, West Derby (Stephen Twigg) raised a number of points, which I shall try to address in my closing remarks. I would like to speak first to amendment (a) to Lords Amendment 29, under which the first as well as any subsequent regulations exempting certain providers from Ofsted inspection in particular circumstances would be subject to the affirmative procedure. The hon. Gentleman asked me particularly to address those matters.

My hon. Friend the Minister of State, Department for Education, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb), has already spoken about a related amendment to the schools inspection exemption. The same intentions lay behind the exemption for further education providers and our plan, in essence, is to exempt outstanding colleges. I will listen, however, to the points raised. I do not have a dogmatic view on this matter, and as we move to a lighter-touch inspection regime, it is important to do so with appropriate caution.

I would like to deal with one particular concern. Where students feel that an outstanding institution is not maintaining high standards, Ofsted will take very seriously any comments students might make as part of the risk assessment, which could trigger an inspection. My hon. Friend the Minister spoke about the risk assessment process, and it is important that it is tied closely to the view of students about the quality of teaching and learning in an institution.

I spoke to the National Union of Students today about representation on college governing bodies, which we discussed when we dealt with the amendments to which the hon. Member for Liverpool, West Derby also referred. As I described earlier, we view such representation as a baseline. Representation on governing bodies does not provide the whole answer for learner or staff engagement. Learners and staff should be engaged at a policy level in plotting the strategic direction of a college. As we move to a more freed-up system, so learner choice and learner judgment will play an increasingly critical role in how colleges evolve. I hear what the hon. Gentleman says about the process. We are moving ahead boldly, but cautiously. At this juncture, it is probably best for me to leave that there.

Amendment (a) to Lords amendment 36 would require the chief executive of skills funding to make "best" efforts rather than "reasonable" efforts in respect of apprenticeships. Of course I understand the intention to strengthen the focus on the delivery of this important objective. It is crucial to maintain and, indeed, improve the quality of apprenticeships while we grow their number. When something grows rapidly, it obviously creates a pressure on quality. Inevitably, the momentum will lead to more employers and more providers becoming involved and more individuals becoming apprentices—including people who might not have done so if the system was smaller. I believe that places an extra responsibility on us to ensure that the integrity of the brand is retained by an appropriate emphasis on quality, and as I said on the Floor of the House a few days ago in a different debate on a different subject, we will do that. The hon. Member for Liverpool, West Derby is right to say that this amendment, and his argument about it, draws attention to the issue of quality. The debate in the other place and the discussions to which he referred—I pay tribute once again to Lord Layard and others—helped us to concentrate our thinking on maintaining and improving the quality of the apprenticeships offered.

Mr Graham Stuart: Does my hon. Friend agree that the number of apprenticeships going on to level 3 is a big indicator of quality and that we want more apprentices getting to level 2 to go on to level 3? Has he given any more thought to providing a more flexible level 3 offer for 16 and 17-year-olds who often find that, if they want to go on to level 3 after completing level 2, the funding gets cut in the current system?

Mr Hayes: The hon. Member for Liverpool, West Derby spoke a little about the age spread of apprenticeships in arguing for his amendment. Although he did not deal particularly with the point that my hon. Friend the Member for Beverley and Holderness (Mr Stuart) just raised, this is not the first time that my hon. Friend has mentioned it. It is important to devise a system that maximises the prospect of progression, in the way that he describes.

The good news is that the biggest proportion of growth in the numbers that were drawn to the House's attention a week or so ago was in level 3 apprenticeships. I think that that rather frustrated the critics who had assumed that the biggest proportionate growth would be at level 2. In proportional terms, the number of level 3 apprenticeships has grown at the fastest rate over the last year. I can also inform my hon. Friend of a fact that has not been in the public domain until now: indications suggest that the length of apprenticeships among those aged over 25 is increasing. That is also rather counter-intuitive for those who listen to the critics from the bourgeois left, the glitterati and chatterati who look down their noses at practical learning in a way in which you and I do not, Mr Deputy Speaker.

My hon. Friend was, however, right to draw our attention to other measures that we might take in respect of progression. I know that one of his suggestions is that we should look at ways of helping people to undertake parts of a level in which they were otherwise already competent. There may be ways in which we can adopt a more modular approach to progression. I do not intend to discuss that at length now, because it is not entirely pertinent to the amendment, but it is relevant to what has been said by my hon. Friend and by the hon. Member for Liverpool, West Derby, who also made a point about the age spread of apprenticeships.

8.30 pm

Jim Shannon (Strangford) (DUP): In other regions of the United Kingdom, such as Northern Ireland, education, including further education, is devolved. In Northern Ireland it is possible to obtain gold-plated apprenticeships that can accompany the education and training that are also needed. Have the Government considered similar action to help apprentices to secure better final qualifications?

Mr Hayes: The hon. Gentleman has made a useful comment. The way in which apprenticeships are perceived, and the experience of the apprentices themselves, are critical to whether apprentices are likely to make progress. Those who have had a good experience of the early stages of apprenticeship may well progress to a higher level, perhaps in the companies that have taken them on, which will be good for both the business and the individual.

Paragraphs 30 and 31 of Lord Leitch's report, which was commissioned by the last Government, state:

> "Improving the skills of young people, while essential, cannot be the sole solution to achieving world class skills. Improvements in attainment of young people can only deliver a small part of what is necessary because they comprise a small proportion of the overall workforce. Demographic change means that there will be smaller numbers of young people flowing into the workforce towards 2020.
>
> More than 70 per cent of the 2020 working age population are already over the age of 16."

Lord Leitch concluded that unless we upskill and reskill the existing work force, we will never catch up with our competitors.

The hon. Member for Liverpool, West Derby is right to say that we should not think in terms of two alternatives. This is not about providing a valued and valuable route to practical learning through apprenticeships for younger people but not doing so for people in their 20s or 30s

[Mr Hayes]

who want to upskill or reskill, such as the level 3 apprentices whom I met recently at Jaguar Land Rover in Halewood, near Liverpool, not a million miles from the hon. Gentleman's constituency. Both those things can be achieved through an apprenticeship offer of the right kind.

Stephen Twigg: I entirely agree that we are not talking about two alternatives, but does the Minister share my concern about the fact that, according to the IPPR report, there is a large growth in the number of apprenticeships for those over 25, a pretty large growth in the number for those aged 19 to 24, but a much smaller growth in the number for 16-to-18-year-olds?

Mr Hayes: I think that we need to calibrate the system to ensure that there is a good age spread. I probably should have emphasised to an even greater degree—you know what I am for understatement, Mr Deputy Speaker—the need to make growth sustainable. If it is to be sustainable, it will be necessary to address issues such as those that have been raised tonight. By "sustainable growth", I mean growth that offers older learners the opportunities to upskill and progress that were mentioned by my hon. Friend the Member for Beverley and Holderness—opportunities to create a vocational pathway of the quality that we both seek, the "gold standard" for apprenticeships. I had used that term myself, and the hon. Member for Liverpool, West Derby may have read it, imbibed it subliminally and repeated it. I know that he would normally have attributed it; perhaps it was by accident that he did not.

We also need to be constantly vigilant about the quality of the offer. Let me set out some of the things we are doing in that respect. I have made it very clear to the National Apprenticeship Service that poor provision should be eliminated. We have to be very tough on any provision reported to us that we investigate and find not to be of sufficient quality.

Neil Carmichael: Does my hon. Friend agree that one key measure of the success of apprenticeships—this certainly applies to levels 2 and 3, and is consistent with his views about economic growth, sustainability and so on—is what happens in manufacturing and engineering? Does he agree that all the measures that we should be thinking of in terms of developing that sector should be implemented?

Mr Hayes: Another bit of good news when we saw the figures from the statistical release was the substantial growth in manufacturing and engineering apprenticeships; the number of starts was 47,000, which was an increase of 20% on the 2009-10 figure. So we had very strong growth in the very apprenticeships that my hon. Friend rightly identifies as crucial to our future prospects. Interestingly, the figures clearly show that there is growth across the system. Again rather counter-intuitively from the perspective of the critics, there has been growth in sectors where employment more generally has either slowed or declined. So apprenticeships seem to be bucking the trend in areas such as manufacturing and engineering. Even in construction, where there has been a very sharp decline in employment, apprenticeship numbers have held up. That suggests that businesses are investing in training and in their future, and that apprenticeships are succeeding. This is a flagship policy, devised in opposition and delivered in government.

Bob Stewart: Has the Minister considered—I am sure that he has—the thought that a great number of high-quality individuals have had considerable technical training in the armed forces? Could they come in at level 2, with this possibly leading on to level 3? Is that part of the system he envisages?

Mr Hayes: This weekend, I was looking at a submission that suggested that we might ask the National Apprenticeship Service to look specifically at people who have left the armed forces. I am particularly concerned about those who have left the armed forces with a disability. One of the challenges that the previous Government faced and that we face too is in ensuring that the apprenticeship system is accessible to as many people as possible, and I do not think we do well enough by disabled potential apprentices. I asked, at the very early stages of my distinguished ministerial career, for the NAS to examine that area closely, but I want it to re-examine it. I particularly want the NAS to examine what we can do for disabled ex-servicemen.

Bob Stewart *rose—*

Mr Hayes: I happily give way to my hon. Friend, who is a great expert on these things.

Bob Stewart: I hope that the Minister will forgive me, because he has almost made the point I was going to make, which is that we could involve disabled ex-servicemen as part of this system. That would be a superb way of helping them to get into decent employment in civilian life.

Mr Hayes: I am glad that I anticipated my hon. Friend's point. Foresight is not essential for a Minister, but it is a great advantage, particularly when it can be displayed on the Floor of the House of Commons.

My hon. Friend the Member for Stroud (Neil Carmichael) mentioned growth and others have talked about progression, so in dealing with the remark made by the hon. Member for Liverpool, West Derby about happiness, I wish to draw his attention to Yeats. I know that the hon. Member for Cardiff West (Kevin Brennan), the shadow Minister sitting next to him, is a fan of Yeats. Lord Layard did such good work on this particular amendment, so I shall cite the following from Yeats:

> "Happiness is neither virtue nor pleasure nor this thing nor that but simply growth, We are happy when we are growing."

When apprenticeships are growing, I am particularly happy because it is testament to the success of our policies.

Kevin Brennan *rose—*

Mr Hayes: We are going to hear some more Yeats from the hon. Gentleman and I am happy to give way to him.

Kevin Brennan: He also said:

> "No likely end could bring them loss
> Or leave them happier than before."

We look forward to the Minister's end this evening.

Mr Hayes: Perhaps we will see the end of this speech, but not the end of my career, not the end of this Government and not the end of my time here, which I see stretching a great long distance into the future.

Let me return to the points made by the shadow Secretary of State for Education in respect of the Lords amendment and particularly the apprenticeship offer. He implored us to go further. Indeed, his amendment to the Lords amendment asks us to do so. He asks us to strengthen the offer, having acknowledged with typical generosity, the progress that we have made in this respect. I will again take seriously his remarks about how we market this. An important part of what we do with apprenticeships is selling the product. I have made it clear to the National Apprenticeship Service that its job is as a marketing and sales organisation. Its job is to get more companies to understand the value of apprenticeships, more individuals to understand the opportunities that they provide to them personally and more providers to rise to the challenge and to ensure that they are in the best place possible to deliver apprenticeships. As a result of his overtures, rather than accepting the amendment to the Lords amendment—he would hardly expect me to do that—I will look again at how we can market the renewed offer in the most effective way possible.

Neil Carmichael: On marketing apprenticeship schemes, does my hon. Friend agree that the key area that we should focus on is small and medium-sized enterprises, because they need to grasp the opportunities that apprenticeships can bring them and the apprentices?

Mr Hayes: Yes. In opposition, of course, it was our policy to offer a financial incentive to support SMEs, which we felt would have a real and perceived risk associated with taking on apprentices, through the means of some kind of payment. We were unable to do that because of the financial constraints that affect the whole Government, but we can make more progress in respect of bureaucracy. We need to make the system accessible, straightforward and simple. We need to get rid of the bureaucracy that has sometimes inhibited small businesses from engaging in the apprenticeship programme. Yes, we will go further, and spurred on by my hon. Friend's enthusiasm, I will make further announcements on reductions in bureaucracy, specifically for SMEs. He is right that their engagement in apprenticeships is critical, not least because if we are to spread apprenticeships and seed them into every community, village and town, we cannot simply rely on the excellent apprenticeship schemes of major businesses, such as BT, BAM, BAE, the Royal Navy, Ford Motor Company, EDF, the Royal Air Force, Sellafield, Bentley Motors, Jaguar Land Rover, GE Aerospace, Caterpillar, Honda and others. We need to have apprenticeships in smaller businesses and micro-businesses, too, such as those in my constituency—in the small villages and towns, where if we were to ask young people in particular to get an apprenticeship, they could only do so locally, because of travel and accessibility issues.

Steve Rotheram: The Minister has just spoken about micro-businesses. MPs are almost micro-businesses. I would like to know how many MPs have put their money where their mouths are and taken on apprentices. I am one of them. Other Government and Opposition Members have taken on apprentices, but a vast number of MPs have not done so. If we all took on just one apprentice, we could create 650 apprentices in the House.

Mr Hayes: I have written to colleagues to that effect. I make that plea once again. The hon. Gentleman is right to offer that clarion call to Members of Parliament to take on apprentices. I have one in my office. I hope that the shadow Secretary of State is thinking about taking on an apprentice. I know that he will do so speedily, following the words that he has heard from the Dispatch Box today.

The National Apprenticeship Service is already actively promoting apprenticeships with employers and ensuring that apprenticeships are highly prized by businesses and apprentices. It provides an online vacancy matching service for employers and prospective apprentices. It already has a dedicated employer-facing field force to recruit new employers in the way that I have described.

8.45 pm

We have had a short but helpful debate. We have heard an interesting appraisal of some of the issues already considered carefully in the House of Lords. I feel that the Government have illustrated that we listen and learn during the passage of legislation. Sometimes there are those who say that our scrutiny of legislation in this place and the other place is imperfect, but as a Conservative I take a conservative view of institutions. I am proud of this House and this Parliament. The Bill is a good example of Opposition and Government contributing to scrutiny in a way that has improved legislation. The other House and this House have interacted, both formally and informally, to make the Bill even better than it was when it started. It is important legislation which does important things in respect of apprenticeships, further education and, as we have already heard from the Minister of State, my hon. Friend the Member for Bognor Regis and Littlehampton, schools. The whole House can support the Bill with a degree of confidence in the scrutiny that it has received, and a degree of excitement about the difference that it will make to individuals and communities across our nation.

Lords amendment 28 agreed to.

Lords amendments 25 to 27 and 29 to 35 agreed to, with Commons financial privileges waived in respect of amendment 34.

After Clause 67

SECURING THE PROVISION OF APPRENTICESHIP TRAINING

Amendment (a) proposed to Lords amendment 36.—(Stephen Twigg.)

Question put, That the amendment be made.

The House divided: Ayes 191, Noes 285.

Division No. 396] [8.46 pm

AYES

Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, Heidi
Ali, Rushanara
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon

Barron, rh Mr Kevin
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Campbell, Mr Alan
Caton, Martin
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Creagh, Mary
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
Jarvis, Dan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Love, Mr Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruddock, rh Joan
Seabeck, Alison
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Watts, Mr Dave
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Nic Dakin and
Chris Ruane

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Campbell, rh Sir Menzies
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crouch, Tracey
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Dodds, rh Mr Nigel
Dorrell, rh Mr Stephen
Dorries, Nadine
Drax, Richard
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Gray, Mr James
Green, Damian
Greening, rh Justine
Griffiths, Andrew

Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Osborne, rh Mr George
Ottaway, Richard
Paisley, Ian
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, rh Nicholas
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim

Tellers for the Noes:
Mark Hunter and
Greg Hands

Question accordingly negatived.

Lords amendment 36 agreed to, with Commons financial privileges waived..

Lords amendments 37 to 100 agreed to, with Commons financial privileges waived in respect of Lords amendments 37, 40, 41 and 43.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Criminal Law

That the draft Al-Qaida (Asset Freezing) Regulations 2011, which were laid before this House on 11 October, be approved.—*(Angela Watkinson.)*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Tuesday 22 November, notwithstanding paragraph (2)(c)(i) of Standing Order No. 14 (Arrangement of public business), Opposition business may be proceeded with, though opposed, for three hours; proceedings shall then lapse if not previously disposed of; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Mr Heath.)*

Ordered,

That, at the sitting on Wednesday 23 November, paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to the Motions in the name of Edward Miliband as if the day were an Opposition Day.—*(Mr Heath.)*

ADMINSTRATION

Ordered,

That Geoffrey Clifton-Brown, Bob Russell and Mr Shailesh Vara be discharged from the Administration Committee and Graham Evans, Mark Hunter and Simon Kirby be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

FINANCE AND SERVICES

Ordered,

That Mr Brooks Newmark be discharged from the Finance and Services Committee and Mr Shailesh Vara be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

TREASURY

Ordered,

That Tom Blenkinsop and John Cryer be discharged from the Treasury Committee and Mr Pat McFadden and Teresa Pearce be added.—*(Geoffrey Clifton-Brown, on behalf of the Committee of Selection.)*

PETITIONS

Swansea Coastguard Station

9 pm

Nick Smith (Blaenau Gwent) (Lab): I would like to present this petition, which I strongly support, to save Swansea coastguard station. It has been signed by more than 160 constituents of Blaenau Gwent and is supported by the hon. Member for Gower (Martin Caton).

The petition states:

The Petition of residents of the constituency of Blaenau Gwent,

Declares that there is a fierce reaction to the wholly unexpected proposed closure of the Swansea Coastguard Station, which will affect 28 staff, and declares that the Petitioners fear that lives will be put at risk if the proposal goes ahead, as the Petitioners are unconvinced that new technology would be an adequate substitute for close proximity between the coastguard and other emergency services.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Transport to reconsider the decision to close Swansea Coastguard Station and ensure that a coastguard station remains at Swansea.

And the Petitioners remain, etc.

[P000975]

Legal Aid for Gypsies and Travellers

9.2 pm

Jeremy Corbyn (Islington North) (Lab): I am very pleased to present a petition that is strongly supported by my hon. Friend the Member for Hammersmith (Mr Slaughter). He wanted to present it, but I am doing it on his behalf and on behalf of the Community Law Partnership. The petition concerns the Legal Aid, Sentencing and Punishment of Offenders Bill and complements a similar petition of 1,000 signatures that was delivered to the Prime Minister last week. We believe that the Bill is having a disastrous effect on the provision of advice and representation to Gypsies and Travellers on accommodation issues. The petition has my full support and has been signed by 25 members of the Community Law Partnership.

The petition states:

The Petition of the Community Law Partnership on behalf of Gypsies and Travellers,

Declares that the Legal Aid, Sentencing and Punishment of Offenders Bill, if brought into force, will have disastrous effects on the provision of advice and representation to Gypsies and Travellers on accommodation issues. Gypsies and Travellers are one of the most disadvantaged groups in the United Kingdom. The bill denies them access to the legal advice and assistance which is available to any other group. It is due to the failures of successive central and local Governments to ensure adequate site provision that some 25% of the Gypsy and Traveller population who live in caravans are on unauthorised encampments and unauthorised developments. This is through no fault of their own.

The Petitioners therefore request that the House of Commons urges the Government to ensure that Legal Aid in the Legal Aid, Sentencing and Punishment of Offenders Bill is available for Gypsies and Travellers to defend evictions from unauthorised encampments and to be advised and represented in the County Court and High Court planning matters.

And the Petitioners remain, etc.

[P000982]

Green Investment Bank (Leeds)

Motion made, and Question proposed, That this House do now adjourn.—*(Angela Watkinson.)*

9.4 pm

Greg Mulholland (Leeds North West) (LD): I am delighted to have secured this debate on one of the Government's flagship commitments: the establishment of the green investment bank. I shall focus in particular on the Leeds city region bid to host the bank's headquarters.

As you are in the Chair, Mr Deputy Speaker, it would be remiss of me not to point out that this coming Saturday the Leeds city region's Elland Road ground will host the final of the four nations rugby league tournament, following the sensational performance by the England team against New Zealand in Hull in Yorkshire and the Humber, and I want to put it on the record that the Leeds Rhino players made a wonderful contribution to that victory.

The Leeds city region has an extremely strong case to be the home of the GIB. It is being established to provide an infrastructure for a green economy with sustainable long-term growth. That will involve unprecedented investment in green economics. Operating at arm's length from the Government, it will bring together cross-sector financial, economic and environmental expertise with private capital and investment. The GIB is one of the most exciting policy ideas in the coalition agreement, but it must deliver on the bold vision laid out for it, including the task to innovate and to challenge—to do things differently.

The GIB is a big opportunity for the Leeds city region, and for Yorkshire and the Humber as a whole. It presents an opportunity to showcase the unique mix of expertise, infrastructure and communication links in the region. It is also an opportunity for the Government to show they are serious about innovating, regenerating and doing things differently.

The Deputy Prime Minister has said:

> "For years, our prosperity has been pinned on financial wizardry in London's square mile, with other sectors and other regions left behind. That imbalance left us hugely exposed when the banking crisis hit...It's time to correct that imbalance. We need to spread growth across the whole country, and across all sectors."

If that does not suggest that the GIB should be located not only outside London, but in a region where there is real power to harness, innovate and regenerate, I do not know what does.

Julian Smith (Skipton and Ripon) (Con): I congratulate my hon. Friend on securing the debate, and am delighted that he is talking about Yorkshire as a whole, rather than just Leeds, because there are many examples of community-led energy projects in my constituency, and throughout our region we have a phenomenal track record of delivering on green projects and investment.

Greg Mulholland: I thank my hon. Friend for his comments, and I also thank the other Members representing constituencies in the region who are present. I shall be very happy to take interventions from any of them, in order to show that there is cross-party support on this issue, but I should also make it clear that I will only take interventions in support of the Leeds city region bid. Those supporting other regions and bids can get their own debate, just as I have this evening.

Simon Hughes (Bermondsey and Old Southwark) (LD) *rose—*

Greg Mulholland: I must ask my right hon. Friend whether he wishes to comment in support of the Leeds bid.

Simon Hughes: Trust me.

Greg Mulholland: As it is my right hon. Friend who seeks to intervene, I shall give way.

Simon Hughes: As a London MP, I am very clear that the GIB should be located not in London, but in one of the other parts of the country. I hope my hon. Friend regards that as a helpful comment, although he must realise that I cannot be explicit as there are also other bids. It is definitely right that the GIB should not be located in London, however.

Greg Mulholland: That is very helpful, and I thank my right hon. Friend very warmly for his intervention. Whether it is as popular with his constituents as it will be with mine, I do not know, but I thank him for it and agree with his sentiment.

The vision for the green investment bank is admirable and exciting, and the case for its location in Leeds is similarly exciting and innovative. They seem to be an excellent match. The Leeds city region already has a mission to become a world-class, low-carbon economy, and at the same time, as we know, the Government have said that they want to be the greenest Government ever.

As my hon. Friend the Member for Skipton and Ripon (Julian Smith) said, the Leeds city region is wide and diverse, covering the whole of west Yorkshire, parts of neighbouring north and south Yorkshire and the 10 local authority districts of Barnsley, Bradford, Calderdale, Craven, Harrogate, Kirklees, Leeds, Selby, Wakefield, and York. With close to 3 million people, a diverse resident work force of 1.5 million, 106,000 businesses and an economy worth £53 billion per year, it is a region to be taken seriously.

Jason McCartney (Colne Valley) (Con): I, too, congratulate my hon. Friend on securing this very important debate. He mentions Kirklees, my local council, and I shall add some more statistics from our part of the world. David Brown engineering in Lockwood, Huddersfield, has just received money from the regional growth fund for its offshore wind turbine gear technology; the transition town movement in the valleys of my constituency, Holmfirth, Slaithwaite and Marsden, is up and running; and on a more regional basis, in west Yorkshire and beyond, there is also co_2sense Yorkshire, an organisation leading the charge in Yorkshire for carbon capture and storage technology. Does he agree that it all adds up to a fantastic case for Yorkshire to secure the green investment bank?

Greg Mulholland: My hon. Friend lays out a key part of my speech: so much of what the green investment bank is determined to do is already happening in the Leeds city region. He also demonstrates powerfully that the bid is supported by the public sector, including those 10 local authorities, the private sector, the third sector and, indeed, by MPs from all over the city and Yorkshire and Humber regions.

Fabian Hamilton (Leeds North East) (Lab): I congratulate my hon. Friend and constituency neighbour on securing this debate. Does he accept and acknowledge that, under the control of all parties, Leeds city council has played a crucial role in pioneering environmental schemes over many years? Does he acknowledge also the efforts of a former Member, Paul Truswell, who was the first chair of the council's environmental committee and undertook pioneering work way back in the 1980s? Leeds has a very good record, and it is one of the reasons why the bank should be situated there.

Greg Mulholland: I thank the hon. Gentleman, my constituency neighbour, for that contribution. He correctly notes that wonderful and groundbreaking work has taken place at Leeds city council, and, as he knows, I am the green champion on Team Leeds, with which Leeds MPs specifically are involved. It is an initiative of the Leeds, North Yorkshire and York chamber of commerce, and I am happy to carry on that work and to do what I can to voice it on behalf of Leeds and all those other areas.

The Leeds city region has three fundamentally important things to offer as the location for the green investment bank: first, its location; secondly, its incredible talent in finance, business and the green economy; and, thirdly, its excellent value in allowing for the bank's affordable establishment as quickly as possible.

John Healey (Wentworth and Dearne) (Lab): Will the hon. Gentleman give way?

Greg Mulholland: I said that I would take contributions from all hon. Members from the region. The right hon. Gentleman's constituency is on its southern tip, so as long as he is supportive I will certainly take an intervention from him.

John Healey: I thank the hon. Gentleman for giving way and congratulate him on securing the debate. I wanted to add a fourth and a fifth point. Fourthly, Leeds is an established financial services centre; and, fifthly, our region, the Yorkshire region, is ahead of many others when it comes to environmental technologies and industries. Does he accept that even in south Yorkshire we recognise the case for Leeds to be the centre for the green investment bank? It has—unusually, from south Yorkshire—our full support for that move.

Greg Mulholland: I thank the right hon. Gentleman very warmly for that contribution. When the Leeds city region team established its bid, one crucial thing was to see whether Sheffield and south Yorkshire would come on board in support. That support is very important, and I hope that the Minister listened to the right hon. Gentleman's contribution. Of course, having the green investment bank based in Leeds would, indeed, be a bonus for south Yorkshire, as it would for the whole region.

We have excellent transport links in the Leeds city region to the north-west, to Scotland, to the north-east and, of course, to London. However, one thing that people perhaps do not understand is that the Leeds city region is the largest manufacturing centre in the United Kingdom. I do not know whether the Minister is aware of that. Crucially, locating the green investment bank in the Leeds city region would place it closest to some of the UK's most exciting low-carbon sustainable investment opportunities.

We already have a track record of such projects, including electric transport infrastructure, offshore energy, carbon capture and storage, biomass and renewable energy production. As has already been said, there is also a real commitment to green ideals in the Leeds city region. That comes from the public sector, but it also comes from the private and the third sectors. In April this year, the Leeds city region published a business survey which showed that, in respect of environmental innovation, 47% of businesses in the region reported that they had already taken significant action to reduce carbon dioxide emissions. That demonstrates that we are at the forefront of the transition to a low-carbon economy.

As I said to the hon. Member for Colne Valley (Jason McCartney), so much that the green investment bank wants to do and wants to invest in is already happening in the Leeds city region. We have to accept that decarbonising the industrial and manufacturing sectors will be one of the green investment bank's biggest challenges. Our industrial past has left us with a huge challenge. Yorkshire and Humber as a whole is home to the UK's largest cluster of industrial CO_2 emissions, equivalent to half the domestic emissions of the UK. Our three coal-fired power stations generate 17% of the UK's energy alone. Drax power station in the region is already co-firing with biomass in a bid to achieve its aim to generate 12.5% of its electricity in that way. That makes it the largest project of its kind in the world. It has plans for three new dedicated biomass-fired plants, which would together add a further 900 MW to the UK's energy generation.

The Leeds city region is also at the forefront of the development of carbon capture and storage. The project under construction at Ferrybridge will provide the technical evidence needed to underpin large-scale demonstration plants across Europe. The Leeds city region is also leading the way on the delivery of domestic retrofit. Since the feed-in tariff subsidy began, Leeds has had the second biggest take-up of microgeneration technologies in the UK. It is second only—this will certainly please the right hon. Member for Wentworth and Dearne (John Healey)—to another of Yorkshire's economic powerhouses: Sheffield.

My hon. Friend the Member for Colne Valley mentioned Kirklees. The Kirklees warm zone scheme is viewed as national best practice in funding and delivering domestic retrofit, and it has reduced fuel poverty in some of the most deprived wards in the country. Building on that experience, the Leeds city region is now establishing a city-wide retrofit programme and is advising the Department of Energy and Climate Change on the deployment of the green deal. And that is just in the Leeds City Region.

Hilary Benn (Leeds Central) (Lab): I join others in congratulating the hon. Gentleman on securing the debate. He is making a very powerful case for the Leeds city region bid. As he is talking about homes, does he agree that it is important to have innovation in housing if we are to tackle the CO_2 challenge? For example, the pioneering greenhouse project in Beeston in my constituency has taken a derelict building and turned it into flats. At the last count, that project had won 27 or 28 awards and is producing heat from ground source heat pumps and recycling water. It is a living, breathing example of what can be done and a good illustration of the kind of innovation that can be found in the region. That is precisely why the bid from the Leeds city region should be successful.

Greg Mulholland: I thank the right hon. Gentleman, my other neighbour, for his support in this campaign. That is a strikingly innovative project. While we have the Minister here, we should suggest that he visit projects of that nature; the only thing is that he and his team will probably need about a week to see many of the wonderful things that are going on in the Leeds city region.

A little further afield, in East Yorkshire, we have offshore wind on the Humber—a project that has been developed with significant expertise from the Leeds city region across the financial, legal, manufacturing and engineering sectors. The region's traditional sectors, such as manufacturing, will develop the low-carbon technologies of tomorrow, as in the case of David Brown, a company mentioned by the hon. Member for Colne Valley.

That leads to the second reason why Leeds city region should get the green investment bank: the incredible talent that we have. As the right hon. Member for Wentworth and Dearne has already said—he rather stole my thunder, but it needs to be repeated again and again, so I am happy that he has done so—Leeds is the leading UK centre for financial services outside London, with 120,000 people working in the sector and over 30 national and international banks based in the city. I do not know whether the Minister is aware of this, but Leeds city region has the biggest financial sector outside London—bigger than any of the competitors currently bidding for the location of the green investment bank.

Mr David Ward (Bradford East) (LD): As a Bradford MP, it pains me somewhat to say too much in favour of Leeds, but I hope that the Minister is catching the drift of this debate. We are aware of the rebalancing strategy from the south to the north regarding finance and manufacturing, but it is crucial to rebalance within regions too. The fact that so many MPs are here from so many parts of the region is testament to our belief that such a move would be good for the whole of the region, not just good for Leeds.

Greg Mulholland: I thank my hon. Friend. This debate does show the strength of support for the bid from all round the Leeds city region and, indeed, the Yorkshire and Humber region.

Let me say this one more time, because I have heard doubts cast on it: Leeds is the second biggest financial centre in the country—not Bristol and not Edinburgh. I will give some figures. Financial advisers in the Leeds city region were responsible for almost 200 deals in 2010, worth £10 billion to the economy. If that is not music to Ministers' ears, I do not know what is.

Jason McCartney: I praise my hon. Friend for the positivity of his arguments. He is laying out a compelling case for the bank's coming to Yorkshire. Does he agree that another big element is the certainty, unlike in some other potential locations, that there will not be a referendum on independence in Yorkshire—no matter how much I would like one, as a born Yorkshireman? We do not want to be negative about anywhere else, but Yorkshire does not have that uncertainty about potential referendums on independence.

Greg Mulholland: My hon. Friend makes a very important point. The show of unified support for this bid from all political parties is vital, and I am afraid that the political situation is different for some of the bids to which he refers.

In 2009, there was a 32% rise in the value of deals in the financial district in Leeds, despite the value of deals in the UK falling by 16% in the same period. Three banks and four building societies have already chosen to locate their headquarters in the Leeds city region, including the headquarters of the UK's largest financial insurance provider and its investment function, responsible for £75 billion-worth of assets, as well as 10 private equity firms, including the UK's leading mid-market equity house. We do not just have a big financial sector; we also have the right skills set to support the green investment bank's products. The sector has direct and recent experience in establishing new financial institutions, with the financial service sector in the Leeds city region having been involved in the delivery of 19 of the past 21 building society mergers.

Nigel Adams (Selby and Ainsty) (Con): I, too, congratulate my hon. Friend on securing this Adjournment debate. Does he have any idea of the number of jobs that would be created in Yorkshire and in Leeds in particular if the green investment bank was won by the Leeds bid?

Greg Mulholland: Of course, the point of the green investment bank is not to deliver jobs itself—although a few hundred people will work in and around it—but to bring in investment through projects and the knock-on effects. Those projects will be not only in Yorkshire and the Humber, but all around the country. The Minister might be able to give some idea of the Government's vision for delivering growth for the economy and employment all around the UK, delivered, crucially, from the Leeds city region.

Julian Smith: I refer back to the hon. Gentleman's comments on the type of financial services that Leeds possesses. It is the home of mutual organisations and of a different kind of financial services than is seen in the City of London. That character, which he painted so eloquently, has to be part of the pitch for Leeds.

Greg Mulholland: That is an important point and it is right of the hon. Gentleman to reiterate it. We must all keep doing so again and again to Ministers. I apologise to the Minister for taking so many interventions. It is

[Greg Mulholland]

rather nice to have so many positive ones. It will, however, take me a little longer to make my contribution than I had originally thought because of that.

As well as the financial expertise and talent in the region, we have the professional and business services that would be integral to the success of any new banking institution. Five of the UK's largest law firms and 150 accounting firms, including nine of the 10 largest UK practices, are based in the Leeds city region. Crucially, the professional and business services sector in the region has a strong record in supporting the delivery of low-carbon schemes. It is in demand for doing so across the UK, with a number of projects having been advised and structured by businesses from the Leeds city region. One example—and we will provide more to the Minister—which is from the other side of the Pennines, is the UK's largest wind farm on Scout moor in Manchester. Top legal teams based in Leeds, such as Addleshaw Goddard, regularly advise on international green projects, such as the latest power project in Saudi Arabia and a solar project in South Korea. This expertise and talent is already delivering what the green investment bank wants to do not just in the UK, but around the world.

Finally on talent, the region also has the necessary environmental expertise. The region's carbon capture and storage programme has been led by co$_2$sense. That is one of a number of Leeds-based expert organisations that drive innovation-led low-carbon projects in the Leeds city region and that would support the bank in its activities. It has been delivering the objectives of the green investment bank in the region for the past four years. It has invested in low-carbon infrastructure projects across the region.

We also have the Centre for Low Carbon Futures, which is a partnership of universities that has a track record in providing expert advice to the Department of Energy and Climate Change. It includes the centre for climate change economics and policy at the university of Leeds. We also have Science City York, which is a partnership company of academics and the private and public sectors that has expertise in bio-renewables. It has directly helped to establish more than 100 new technology companies.

Fabian Hamilton: Will the hon. Gentleman give way again?

Greg Mulholland: I am able to be generous because of the time.

Fabian Hamilton: Given all that the hon. Gentleman has said, it is no surprise that one of the most innovative low-carbon, recycled fuel power stations was opened on the border between our two constituencies at Buslingthorpe Green just a month ago. I had the privilege to open it with the lord mayor of Leeds. It generates 2 MWe and is run on recycled cooking oil. I hope the hon. Gentleman would agree that that is exactly the kind of project that the green investment bank could encourage throughout the country. Leeds has shown that it has the expertise to have the bank right in the heart of the city and the region. Does he agree that that is the sort of project that needs support?

Greg Mulholland: Absolutely, and if the hon. Gentleman invites me there as part of "Team Leeds", I will be delighted to get my hard hat on and come and see it for myself.

Projects up and down the country are already being advised and structured by companies from the Leeds city region. The only biomethane project in the United Kingdom to be completed, in Didcot, was assisted by advice and structuring from the region. As the Minister has heard clearly—I hope the message has got out—the Leeds city region is involved in developing economically sustainable businesses in the green and low-carbon sectors not just in the region, or in the United Kingdom, but around the world.

The third and final key reason why the green investment bank should be based in the Leeds city region is one that I know is music to any Minister's ears in the current economic climate. The region offers outstanding value for money, through available and affordable office space and competitive staffing, recruitment and location costs. It has a portfolio of high-quality, low-carbon buildings that could house the bank at excellent commercial value. Leeds has offered the best value for money office space among the major European business cities for the past three years, according to Cushman and Wakefield's annual rankings, offering more competitive value than Bristol, Edinburgh and Manchester, the other cities bidding for the bank. The region also has more buildings that are rated excellent by the Building Research Establishment environmental assessment method—the world's leading design and assessment method for sustainable buildings—than any of the other cities bidding.

Through existing organisations, the Leeds city region also already has the skill sets required to assess opportunities, make funding recommendations, save time and money on set-up costs and get the bank up and running as quickly as possible.

I want this to be a positive speech, but I have to put it on record that I, and other Members from the region, find it very frustrating that doubts have somehow been cast on some of those incredibly strong credentials of the Leeds city region. There are some strange misunderstandings, considering the very clear facts and the hugely strong case for the region. Some of us may feel that it is another example of something of a blind spot in parts of Westminster and Whitehall when it comes to our region. Perhaps we need to shout a little louder, and we shall. I hope that today, I have put the case forward and left little doubt in the minds of Ministers and others about the incredibly strong case for the region.

The Leeds city region and its surroundings have the specialist knowledge, skills, location and professional supply chain needed to support the green investment bank and its customers. As the House has heard, the potential for green investment in the Yorkshire and Humber region is huge, and the opportunity for the green investment bank in the Leeds city region is enormous.

The Minister knows that the green investment bank is hugely important for the UK, as a global leader on the environment, and the Leeds city region has the formula to make the bank deliver. As I said at the outset, the bank is an exciting and innovative vision, which I support, as I am sure do all right hon. and hon. Members who are in their places. We believe that it is an excellent fit with the innovation, expertise and infrastructure that already exist in the Leeds city region.

I know that the Government are serious about the green investment bank and the vision of what it can deliver towards a sustainable, greener economy. The message that I want to leave with the Minister, and with the team who will award a city the green investment bank, is that we in the Leeds city region are just as serious. We are serious not just about the bank being in Leeds, but about its succeeding, excelling and helping the UK to that more sustainable, greener economy.

9.33 pm

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I begin by adding my congratulations to my hon. Friend the Member for Leeds North West (Greg Mulholland) on not only securing the debate but leading a remarkable song of harmony. He talked about music to my ears, and I must say—I say it with due care, as you are a professional Lancastrian, Mr Deputy Speaker—that I have not seen quite so many Yorkshiremen together and singing in such harmony, not just from west and north but from the south part of Yorkshire as well. It is very nice to see and hear. I hope that that same harmony can be maintained as proposals are put forward.

If I may say, my hon. Friend put his case very effectively. I might also congratulate him on his genius of having 57 different points as to why we should have the green investment bank in Leeds but under only three headings. That was a masterful performance.

Let me say from the start as someone who regularly goes to Leeds that I totally share the view that it is a first-class city with many advantages and a strong commitment to going green in our economy. I thank, for example, the local enterprise partnership and its partners for the comprehensive business case they have submitted for locating the green investment bank in the city. I was lucky enough to be in Leeds just a few weeks ago at the unveiling of the *Yorkshire Post* business club, when I heard first hand just how much support there is for this institution to be located in the city.

The green investment bank is a key component of this Government's commitment to a transition to a sustainable low-carbon economy, which will complement other green policies, which I will touch on briefly later, to drive forward growth in the sector, which by 2009-10 was already worth some £116 billion.

As we have heard from several hon. Members, Leeds has a long and illustrious industrial history, often at the forefront of innovation. It is one of the UK's largest manufacturing bases. We have heard that it is home to many international businesses. Leeds has also been able to make that difficult transition from industrial powerhouse to a thriving hub for financial services. It is true that outside the City of London, it is the largest financial centre in the UK.

As several hon. Members have pointed out, Leeds has a number of other important emerging strengths, including environmental sciences, bioscience, and even digital and creative industries. Even in these challenging times, growth can clearly be seen in the increase in exports not just from Leeds, but from the Yorkshire and Humber region, which grew to £3.8 billion in the first quarter of this year compared with last year. When I go to the city, I see a sense of confidence and optimism when I look, for example, at the investment of £350 million in the Trinity retail and leisure development, or at the £60 million investment in Leeds arena.

As several hon. Members have said, the green economy has become increasingly important, and the Leeds city region demonstrates its focus on a sustainable economy in several ways. I had the pleasure of attending the official launch of the Aire valley enterprise zone. Its focus is on low-carbon industries and it expects to create up to 9,500 new jobs by 2025, and to add something in the region of £550 million of economic output to the city region. As my hon. Friend the hon. Member for Leeds North West mentioned, the enterprise zone in the nearby Humber region should generate nearly 5,000 jobs by 2015, particularly through its focus on offshore wind manufacturing.

When I went to the city, I was also struck—several right hon. and hon. Members mentioned this—that there is a genuine local commitment to going green in local initiatives, such as the better business environment forum or the Leeds climate change charter. Leeds is one of only four cities in the UK that is designated as an environment city. Local people recently celebrated the European year of volunteering environmental theme with projects including river cleaning, action mornings to maintain the Gledhow valley woods—I am getting a generous nod so I trust my pronunciation was correct—and a comprehensive scheme of planting bulbs and flowers in public places. That happens in other parts of the world regularly, but it is nevertheless part of that voluntary wish to recognise the value of a genuine sustainable community and economy.

I appreciate that there is a genuine commitment to a green, low-carbon future right across Leeds. Nationally, the Government are taking real action to try to put the whole economy on that path. Over the summer, the Department for Business, Innovation and Skills, the Department for Environment, Food and Rural Affairs and the Department of Energy and Climate Change published plans that map out the Government's approach to building the green economy and show what that means in practice for business. The plans set out the range of policies we are using to support the transition to a green economy and the opportunities that we have created, but also the implications for some of those traditional businesses, which, as various right hon. and hon. Members have mentioned, will need to change how they operate to develop in future.

We understand that to invest the substantial resources required in this area, business needs to be certain that the low-carbon sector is not a passing fad, as some sceptics might believe. That is why we are seeking to provide certainty and why, for example, we are committed by law to providing a 50% reduction in carbon emissions by 2025. We have launched the world's first incentive scheme for renewable heat, which should increase investment in green-heat technologies by £7.5 billion by 2020. We have also announced the green deal, under which householders, businesses and landlords will be able to improve the energy efficiency of their homes and buildings at no up-front cost. We have also introduced a carbon price floor, proposals on electricity market reform and a range of initiatives to encourage the roll-out of low-carbon vehicles.

To that end, good progress is being made on the green investment bank. It will be the first of its kind in the world, which is why it is one of this Government's first priorities. Capitalised with £3 billion, the green investment bank will complement other green policies

[Mr Mark Prisk]

to help accelerate the leveraging in of additional private capital. The key is that the green investment bank must be a new but enduring institution, rather than a series of Government interventions, and an institution that addresses the areas of under-investment that have persisted in spite of the other measures that I have mentioned. Our green objectives are ambitious, and to achieve them we need tailored and targeted financial intervention to overcome under-investment in those key areas. The green investment bank will work towards the double bottom line of both achieving significant green impact and making financial returns.

As we have seen from this and other debates in the House, there is a real interest in the operation of the green investment bank and how it will be established, so let me turn to that. To assist us, we have appointed an advisory group, led by Sir Adrian Montague, to advise on a range of issues, including not just the institution's strategic priorities, but the conditions and the market in which it will operate. The priorities will be decided by the Secretary of State and reviewed regularly by Ministers and the institution's corporate board.

The question at the heart of this debate is the bank's location. The location is critical to the bank's success, and although it will not be a large institution, it is clear that people already see it as a valuable organisation—an asset, as I think one hon. Member described it—to wherever it is located. I can tell the House that we have received applications from 20 cities and towns, including Leeds. They have indicated that they would like to be considered as the location of the green investment bank. We intend to set out the details of the criteria and the process for determining the location of the green investment bank before Christmas, in just a few weeks, with a view to making the final decision in 2012. Our proposals for the green investment bank will need to be approved by the European Commission before we can establish it as a fully independent financial institution. We expect approval by mid-2013. In the interim, to accelerate our transition to a green economy, the Government will begin making early investments in green infrastructure from April 2012.

We are committed to taking action now to enable the transition to a green and growing economy, and we welcome Leeds' active, positive and energetic contribution to this debate. We will continue to build on the progress that we have made, which is why we welcome the support from all the main political parties for the principle of an enduring and independent institution that will help to set the UK firmly on its course towards a green and growing economy.

To summarise briefly, I congratulate my hon. Friend the Member for Leeds North West on raising this important issue and emphasise that no decisions have yet been made—if that is an assurance to him—on the location of the bank. We will ensure a fair and transparent process when we decide on the location. All interested parties will be given an equal opportunity to submit an expression of interest, so that due consideration can be given to all submissions to ensure a full and equitable process.

Question put and agreed to.

9.44 pm

House adjourned.

House of Commons

Tuesday 15 November 2011

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES BILL [*LORDS*]
(BY ORDER)

Consideration of Bill opposed and deferred until Tuesday 22 November (Standing Order No. 20)

LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON (NO. 2) BILL [*LORDS*] *(BY ORDER)*

TRANSPORT FOR LONDON (SUPPLEMENTAL TOLL PROVISIONS) BILL [*LORDS*] *(BY ORDER)*

Second Readings opposed and deferred until Tuesday 22 November (Standing Order No. 20)

Oral Answers to Questions

DEPUTY PRIME MINISTER

The Deputy Prime Minister was asked—

Electoral Registration

1. **Nick Smith** (Blaenau Gwent) (Lab): What assessment he has made of the potential effect on levels of voter registration of not creating a legal offence of failure to return an individual electoral registration request. [80655]

The Deputy Prime Minister (Mr Nick Clegg): Before turning to the question, I am sure that the whole House will wish to join me in echoing the tribute paid by you, Mr Speaker, to Alan Keen, the Member for Feltham and Heston, for his 19 years of service as a Member of this House.

We need to establish some facts about what is and what is not changing in electoral registration. At present, it is not an offence not to register to vote, and that will not change. It is an offence not to provide information when requested to give it, and that will not change either. The civic duty to register to vote, which everybody recognises, remains, and that will not change. There are suggestions, including from the Select Committee on Political and Constitutional Reform, to create a new offence—one that does not currently exist—of failing to apply to register to vote. Of course the Government will listen to that, but I would warn against thinking that the only solution is criminalising people, because only 144 people were prosecuted in the last year under the present offences. There are a whole lot of other things that we need to get on with to ensure that we transfer people on to the individual electoral registration system over the coming years, which is exactly what we plan to do.

Nick Smith: A high level of voter registration is fundamental to our democracy. Credit companies are concerned that if the electoral register is reduced, it will be more difficult to carry out credit worthiness checks. Have the Government considered data sharing with the credit companies, which have excellent personal address information, to increase voter registration in our democracy?

The Deputy Prime Minister: I certainly agree with the principle that we should try to use data sets to compare the data that electoral registration officers hold with the data held by other people in easily accessible databases, and that is exactly what we are piloting at the moment. However, I do not think that I can do any better than to quote the Electoral Commission, which said:

> "We would not want to see a move away from the current approach—where electoral registration, though not compulsory, is regarded as an important civic duty".

That is precisely what we are doing.

Mr Philip Hollobone (Kettering) (Con): If we are to have a strong and thriving democracy, should it not be a civic duty for everybody to be obliged to register to vote? Whether or not they actually vote, they should at least have a duty to register.

The Deputy Prime Minister: As I said earlier, it is a civic duty, and that will not change, and the offence of not providing information when requested to provide it will remain as well. I just think we need to pause and reflect on whether we think it necessary, on top of that, to create a new criminal offence of failing to apply to register to vote. Those who feel that it should be up to individual citizens whether or not they vote, should pause and reflect on whether it is necessary to criminalise people to get them on the register in the first place. I am not sure, bluntly, whether that is the right way forward.

Mr Wayne David (Caerphilly) (Lab): The Deputy Prime Minister has quoted the Electoral Commission, but when the Government publish their Bill on individual electoral registration will he take on board its advice and publish details on the implementation of IER and the necessary secondary legislation at the same time?

The Deputy Prime Minister: Of course we are considering that very carefully, and of course we will wish to prove to this House that we have thought through all the necessary steps, such that each and every voter is properly approached, initially through individual contacts or approaches to households. People will canvass door-to-door to ensure that those who have moved or not yet registered have the opportunity to do so. As we debated last time at Deputy Prime Minister's questions, the Electoral Commission had concerns about the opt-out system. That was its main concern, and I think we have provided satisfaction on it.

Succession to the Throne

2. **Mr Edward Leigh** (Gainsborough) (Con): What recent discussions he has had on changes to the law on succession to the throne; and if he will make a statement. [80656]

The Deputy Prime Minister (Mr Nick Clegg): As my right hon. Friend the Prime Minister announced on 28 October, the 16 Commonwealth realms have agreed in principle that we should modernise the Act of Settlement with regard to the rules of royal succession. That means that if the Duke and Duchess of Cambridge were to have a first-born daughter, she would eventually become Queen of our country. In addition, we will remove the barrier to those who marry Catholics retaining their position in the line of succession, thus repealing an explicit and unique discrimination against the Roman Catholic religion.

Mr Leigh: After many years of campaigning, I thank the Government most warmly for finally grasping the nettle and removing this unique discrimination against Catholics. Does the Deputy Prime Minister agree, however, that this issue and the wider issues have now moved beyond statute? The fact is that the monarch gave up appointing Anglican bishops in the 18th century, and the Prime Minister has recently given up that power. In the future, can we ever prevent anyone from holding a post that they are born into, simply because of their religion or beliefs?

The Deputy Prime Minister: As I have explained, this is a significant step. I understand that there is a perfectly legitimate debate to be had about whether there should be other reforms, but all the Commonwealth realms must move as a convoy on this. We must all translate it into exactly the same legislation, which is what we will be working on in the months ahead. It is important to welcome this step, as my hon. Friend has done. It removes a unique discrimination against people of the Roman Catholic religion, and we must ensure that we implement it in full.

Mr Nigel Dodds (Belfast North) (DUP): May I ask what discussions have taken place with the devolved Administrations on these changes, which affect all parts of the United Kingdom of Great Britain and Northern Ireland? If the Deputy Prime Minister has not already held any such discussions, what plans does he have to do so?

The Deputy Prime Minister: I spoke to the First Minister shortly before the announcement was made at the Commonwealth meeting in Perth. He is also reflecting on whether there should be other, wider changes, but he welcomed this as a significant step, in and of itself.

Lorely Burt (Solihull) (LD): May I express my delight that the coalition Government have at last ensured fairness and equality in succession to the throne? Does the Deputy Prime Minister share my disappointment, however, that although I and others raised this matter many times under the previous Government, they put it in into the "too difficult" box for 13 years?

The Deputy Prime Minister: I certainly think that most reasonable people would say that, in this day and age, it cannot be right to have rules that discriminate on the basis of gender or religion. This is clearly a sensitive area, however. I have always been explicit in my own view, which I have expressed publicly on several occasions over the years, that we needed to look at these rules. I am delighted that we have now been able to mobilise a consensus among all the Commonwealth realms, so that we can now put this into practice.

Electoral Registration

3. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): What discussions he has had with local authorities on (a) voter registration and (b) maximising participation in local and national elections. [80657]

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): We have been having regular discussions with local authority registration officers and those involved in our electoral data-matching pilots and the smooth implementation of individual registration. Everyone in the House has a responsibility to encourage people to participate in elections. Mr Speaker, you will know that the Electoral Commission has a particular role to play in that work, which the Government find very valuable and which I am sure is supported by every Member of the House.

Mr Sheerman: Surely the Minister realises that a party that seems to believe in the big society and in localism would want participation to increase. Local authorities are deeply unhappy about the effect that the changes that are being mooted will have on local participation. Is he aware that the Deputy Prime Minister's constituency—the wealthiest constituency in the north of England—could manage only a 73% turnout? What are we going to do about the others?

Mr Harper: The hon. Gentleman is confusing two things. Clearly, the Government want to ensure that the electoral register is complete and accurate. As regards the turnout for elections, however, it is the responsibility of all of us in the House to ensure that we provide people with compelling reasons to vote. For example, we are taking the necessary steps to clear up the mess left for us by the Labour party.

Sir Paul Beresford (Mole Valley) (Con): In seeking to maximise participation in elections, what action is the Minister taking, and considering, to counter voter fraud and what I call the farming of votes?

Mr Harper: My hon. Friend raises the question of potential fraud. That is exactly why we are introducing individual registration.

Emily Thornberry (Islington South and Finsbury) (Lab): How many allegations of fraud were there last year?

Mr Harper: That measure was supported by all three parties in the House, despite what the hon. Lady might say from a sedentary position. The previous Government legislated to introduce individual registration in order to move away from the household-based system. In this way, we will have a register that is more complete and, importantly, more accurate.

Coalition Agreement

4. **Mr Bernard Jenkin** (Harwich and North Essex) (Con): What recent representations he has received on progress towards the objectives of the coalition agreement. [80658]

The Deputy Prime Minister (Mr Nick Clegg): The coalition agreement underpins all the work of the Government and is the subject of many ongoing representations to Ministers.

Mr Bernard Jenkin (Harwich and North Essex) (Con): Does my right hon. Friend agree that creating jobs in the economy is a vital objective of the coalition and that the private sector is indeed creating those jobs? Do the Government believe that the present system of tribunals to adjudicate on unfair dismissal is encouraging firms to take on new people or is it discouraging job creation in the economy?

The Deputy Prime Minister: As my hon. Friend will know, we are looking at all the measures that we think hinder growth and job creation. We have already announced a significant change in the tribunal system such that the qualifying period is extended from one year to two years. We have also announced that we will explore the establishment of what are called "protected conversations" so that employers and employees can talk, as the name implies, in a protected way about the performance of those employees, which employers have demanded for a long time. They have welcomed it because they think it will help them create more jobs.

Lindsay Roy (Glenrothes) (Lab): The Deputy Prime Minister is appointing seven new special advisers. Some of his Conservative colleagues have described them as "spies". Will the right hon. Gentleman tell us how those appointments match the coalition agreement's proposal to limit the number of special advisers?

The Deputy Prime Minister: As with any new Government, both parties in the coalition Government—we have not had a coalition Government in a long time—have had to adjust the way in which they are supported in government to make sure that we deliver in full on the coalition agreement to which I referred.

Electoral Register

5. **Kevin Brennan** (Cardiff West) (Lab): What assessment he has made of the effect of introducing individual electoral registration on the completeness of the electoral register. [80660]

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): The hon. Gentleman will know from listening to previous answers that we are taking a number of steps to ensure the completeness of the register, learning from the experience of the introduction of individual registration in Northern Ireland—including, for example, the carry forward of electors for a year—and looking at the data matching pilots to see whether they will be successful.

Kevin Brennan: Individual voter registration is worth pursuing only if, as well as making the register more accurate, it makes it more complete. I warned the Minister about this more than a year ago. Does he not realise that by combining this measure with a voter suppression policy such as not requiring people to collaborate with the electoral register, he is basically participating in the Florida-isation of UK electoral registers?

Mr Harper: That was not up to the hon. Gentleman's usual standard—no, on reflection, I am afraid that it was. I made it clear from this Dispatch Box when I announced the policy that we are just as focused on completeness as on accuracy. As the Deputy Prime Minister set out, we are listening carefully to the responses to our consultation and to what was said by the Political and Constitutional Reform Committee, and we will bring forward our proposals in due course.

Dan Rogerson (North Cornwall) (LD): The Minister will be aware that councils such as Cornwall are taking action to deal with multiple property owners being on the register in several places. I welcome the Government's change of view on the 10% discount on council tax, but as that is one way of encouraging people to register their ownership of a second home, making it easier to cross-match data, has the Minister considered other ways in which councils could fulfil their duty of ensuring that the register is accurate?

Mr Harper: I have not considered any proposals arising from our council tax moves. The hon. Gentleman and I have had conversations about this matter, and I know that his electoral registration office has been making sure that the law is applied fairly but firmly in registering people who reside in Cornwall, thus ensuring that it is indeed more accurate as well as more complete.

Electoral Registration

6. **Julie Elliott** (Sunderland Central) (Lab): What assessment he has made of the potential effect on levels of voter registration of not creating a legal offence of failure to return an individual electoral registration request. [80661]

The Deputy Prime Minister (Mr Nick Clegg): As I have explained, we believe that individual electoral registration is the right thing to do. Her party does as well, as it was in her party's manifesto. Preparations were made under the previous Government to introduce it. We brought it forward slightly and, as the Minister and I have explained, we are taking meticulous steps to ensure that it does not lead to a decline in overall rates of registration.

Julie Elliott: The Electoral Commissioner says that with these changes more than 10 million people will fall off the register. How will the Deputy Prime Minister protect people in urban areas such as mine of Sunderland Central from disfranchisement?

The Deputy Prime Minister: The hon. Lady must be careful not to misrepresent what the Electoral Commissioner said. It did not say that this system will lead to a drop-off on that scale. *[Interruption.]* No, the Electoral Commissioner clarified the point in subsequent publications. The Electoral Commission said:

> "We would not want to see a move away from the current approach—where electoral registration though not compulsory is regarded as an important civic duty".

We are maintaining that civic duty; we are maintaining the offence of failing to provide that information when asked for it; and we are seeking to address the Electoral Commission's specific concern about the opt-out system.

Political Party Funding

7. **Karl McCartney** (Lincoln) (Con): What plans he has to reform the funding of political parties. [80662]

The Deputy Prime Minister (Mr Nick Clegg): I consider reform of party funding to be very important in and of itself, and we made a clear commitment to it in the coalition agreement. I look forward to the contribution of the Committee on Standards in Public Life to the debate when it publishes its report shortly. It is immensely important for us to clear this up, because it has affected all political parties negatively, but it would not be right to ask our hard-pressed taxpayers to pay more to political parties at a time when they are having to deal with so many cuts and savings elsewhere. I should like to proceed with as much cross-party consensus as possible, and I am keen to work towards that aim, but I repeat that no one should doubt the determination of this coalition Government to deliver reform in this area.

Karl McCartney: I thank the right hon. Gentleman for that interesting answer. Does he agree that it is time for the Labour party to be honest about the privileged influence that some of its larger donors have had on legislation that is debated in the House, and will the Liberal Democrats join the Conservatives—

Mr Speaker: Order. May I ask the hon. Gentleman to—

Karl McCartney *rose—*

Mr Speaker: Order. The hon. Gentleman must resume his seat.

Questions to Ministers should be about the responsibility of office-holders for public policies. It is no good the hon. Gentleman nodding at me; his question was out of order, and it is about time that he learned that fact.

Sadiq Khan (Tooting) (Lab): The Deputy Prime Minister has previously endorsed the long-held convention that issues of party funding should—as he has just said—be resolved by cross-party agreement when that is possible. He has told us that the Committee on Standards in Public Life will report shortly: in fact, it will report next week. Is he concerned about the objections from the chairman of the Conservative party to the £10,000 cap proposed in the draft report, and is he worried about the possibility of a situation similar to that which arose in 2007 when the Conservatives walked away from the opportunity to secure a cross-party agreement? *[Interruption.]*

Mr Speaker: Order. It would help if there were not so much noise from Whips on the Treasury Bench, so that the Chair could hear what was being said. Questions must be orderly. The Deputy Prime Minister will answer that which is orderly, and not that which is not.

The Deputy Prime Minister: I wonder whether the right hon. Gentleman's question was written by the GMB, because I hear that Opposition Front Benchers have got into the habit of asking their union paymasters what questions they should ask and what amendments they should table. If that happened in any other political party, Labour Members would say that it was an absolute scandal. We know that the trade unions can speak for themselves; it is time that we knew whether the Labour party can think for itself.

Topical Questions

T1. [80670] **Michael Connarty** (Linlithgow and East Falkirk) (Lab): If he will make a statement on his departmental responsibilities.

The Deputy Prime Minister (Mr Nick Clegg): I am sorry, Mr Speaker. I enjoyed the last answer so much that I temporarily forgot where I was.

As Deputy Prime Minister, I support the Prime Minister on a range of Government policies and initiatives, and, within Government, I take special responsibility for the Government's programme of political and constitutional reform.

Michael Connarty: I am pleased to note that the Deputy Prime Minister remembers what his Department actually does.

One of the main topics of interest to people in my constituency is the commission that will consider the West Lothian question. Can the Deputy Prime Minister give us a firm timetable for consultation, and can he name all the parties that will be consulted, including the Labour party, the new Labour party leadership in Scotland and the trade unions, which are a fundamental part of the fabric of the Scottish people?

The Deputy Prime Minister: The Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), will give more details about the commission in a statement before Christmas.

T3. [80672] **David Morris** (Morecambe and Lunesdale) (Con): Will my right hon. Friend elaborate on the comments made by my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) about industrial tribunals? If there is to be any reform, will he give us a timetable, and may I respectfully ask whether I may help out, given my experience in this regard?

The Deputy Prime Minister: I know that my right hon. Friend the Secretary of State for Business, Innovation and Skills is keen to proceed with the reforms that I mentioned earlier: the change in the timetable from one year to two, and the idea of protected conversations. I am sure that he would be delighted to benefit from my hon. Friend's expertise.

T2. [80671] **Yvonne Fovargue** (Makerfield) (Lab): Does the Deputy Prime Minister support the many charities and advice agencies—including most recently Scope—his party conference resolution and his Justice spokesman by opposing the complete removal of welfare benefits and the majority of social welfare laws from the scope of legal aid, even when the problems involved are interrelated and complex?

The Deputy Prime Minister: If we consider the recent massive expansion in legal aid and the budget for it, and the types of dispute brought within its scope, I think any reasonable person would agree that it is worth trying to put the budget on a more sustainable footing and that where there are alternatives to court—such as tribunals, mediation and citizens advice bureaux—they should be explored first, rather than immediately decanting people and disputes into the court system.

T4. [80673] **Tim Farron** (Westmorland and Lonsdale) (LD): In Cumbria we are very proud of having close business and cultural ties with Scotland, but does my right hon. Friend share my concern that business confidence on both sides of the border is being badly affected by the uncertainty caused by the Scottish Government's obsession with separatism?

The Deputy Prime Minister: I strongly agree with my hon. Friend. At a time of huge economic uncertainties in Europe and the world that are, understandably, creating anxiety among many families in this country, the last thing families in Scotland need is this constant guessing game—the First Minister's cat-and-mouse game on the future of the Scottish people. What people want is certainty, because certainty is what delivers prosperity, jobs and growth.

Ms Harriet Harman (Camberwell and Peckham) (Lab): May I thank the Deputy Prime Minister for his tribute to our colleague, Alan Keen? He was proud to represent a London constituency, but he never lost his fierce, passionate commitment to social justice, which he brought with him from his roots in the north. We will miss him greatly, and our sympathies are extended to Ann and his family.

May I ask the Deputy Prime Minister about the shocking increase in the number of young people out of work for more than six months? In London, the increase has been 93%, in Warrington there has been a 200% increase since May, and the situation is even worse in many places. Because of this Government's actions, the economy is too weak, and the Deputy Prime Minister's programmes to help the young unemployed are too small. Will he admit that he urgently needs to take further action to help the young unemployed?

The Deputy Prime Minister: I accept that we need to take more action; it would be a real dereliction of duty if we did not do more to try to make sure that young people are given a real pathway into training, further and higher education or the labour market. As the right hon. and learned Lady will know, youth unemployment has increased pretty remorselessly since 2004, so it increased during the second part of the Labour Government's time in office. Indeed, it increased by about 40% under Labour. There are some very big structural problems in the labour market that we need to address. I am leading some work on that in government, and we hope to make announcements on it very shortly, before the autumn statement. The right hon. and learned Lady was right to raise this subject.

Ms Harman: But long-term youth unemployment was going down, and, before the recession, was at its lowest level. As rising unemployment makes it harder to pay down the deficit, why have the Government cut work programmes by a third, and why are they closing jobcentres, including in my constituency of Camberwell? We expect it from the Tories—youth unemployment is a price worth paying—but how on earth can the Liberal Democrats be prepared to go along with this?

The Deputy Prime Minister: The right hon. and learned Lady should not be quite so pleased with herself. Under Labour the number of NEETs—young people not in education, employment or training—increased by 50%. Is that a record she is proud of? I think it is a good thing that we have delivered more apprenticeships than her Government ever did. We will deliver a quarter of a million more apprenticeships than were planned under Labour, and we are also creating a new network of university technical colleges to give young people the skills to get into work and rolling out a new Work programme aimed at supporting young people. As I acknowledged earlier, yes there is more work to do, and we must do more to support young people, particularly those aged about 18 or 19 who are making the difficult transition from full-time education to trying to find their feet on the first rung of the jobs ladder. We will do more—we need to do more—but the right hon. and learned Lady should not be quite so complacent about her Government's record.

T6. [80675] **Karl McCartney** (Lincoln) (Con): I am concerned about the possible role that the EU foreign service had in recently deposing the elected Heads of two sovereign Governments. Can the Deputy Prime Minister confirm that he has sought assurances that EU officials based in this country do not abuse their positions here?

The Deputy Prime Minister: I do not think that there is any remote possibility of a coup being engineered from the European Commission office just around the corner. The whole world is looking at what is happening in Italy and Greece with growing alarm, and only Labour Members take it as a role model for their own behaviour. There is a big dividing line in British politics now between those on the Government Benches who believe that Governments should be in charge of their own economic destiny and those on the Opposition Benches who think that bond traders should be in charge of the economy.

T5. [80674] **Pamela Nash** (Airdrie and Shotts) (Lab): We are just two weeks away from world AIDS day, in this the 30th year of the HIV epidemic. We now have scientific evidence to show that new HIV treatments are 96% effective at preventing the spread of HIV. Does the Deputy Prime Minister agree that the Prime Minister should support the United States Secretary of State Hillary Clinton and make the HIV generation a priority for the British Government in order to maintain our commitments to the millennium development goals?

The Deputy Prime Minister: As the hon. Lady may know, that is already one of the key priorities in our aid budget and programme. As she will also know, that budget is increasing substantially, even though we have such huge pressures on the public purse elsewhere, in order to meet the UN target of 0.7%. I know that a great deal of discussion is going on with the American Administration and others who are trying to work collectively. I am more than happy to look into the details of her question if she feels that there is more we should do on this front.

T7. [80677] **Richard Graham** (Gloucester) (Con): I strongly support the principle of fairness in constituency size, which is behind the Parliamentary Voting System and Constituencies Act 2011, but does the Deputy Prime Minister recognise that the Boundary Commission's proposal to relocate Gloucester's entire city centre into the Forest of Dean constituency seriously damages the link between the Member of Parliament and the city, and the accountability of the MP for Gloucester's regeneration? Does he agree that the Boundary Commission could split a ward? Will he confirm that that is in order?

Mr Speaker: Order. We have got the thrust of it. This is topical, so it has to be brief.

The Deputy Prime Minister: I feel in a slightly invidious position having to answer that question while the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper) is sitting next to me, because I know that he has an adjacent constituency. As my hon. Friend the Member for Gloucester (Richard Graham) knows, this is simply not a matter for Ministers. We have legislated—*[Interruption.]* I know that the idea of an independent Boundary Commission is alien to the Labour party, but that is what is going to happen.

T8. [80678] **Kevin Brennan** (Cardiff West) (Lab): When a warning about the penalty was included on a letter to constituents of my hon. Friend the Member for Vale of Clwyd (Chris Ruane) in Rhyl West, the poorest ward in Wales, voter registration in that ward increased by 40%. If the Deputy Prime Minister really is a democrat, will he consider that startling statistic and make sure that there is not only a civic duty but a requirement for people to register to vote?

The Deputy Prime Minister: Only the hon. Gentleman thinks that you are a democrat by criminalising lots of people. Only the Labour party thinks that the solution to everything is to put more crimes on to the statute book. As I explained to him, the civic duty remains. It is not an offence at the moment not to register; it is an offence not to provide information where requested to do so.

Kevin Brennan: Which is the same thing, as the right hon. Gentleman knows.

The Deputy Prime Minister: Will he just listen? That offence will remain on the statute book.

Mr Speaker: Order. The House must come to order. Members must not keep shouting at the Deputy Prime Minister simply because they do not like what he is saying. It is called democratic exchange, and the hon. Member for Cardiff West (Kevin Brennan) should be used to it.

T10. [80681] **Andrew George** (St Ives) (LD): The Deputy Prime Minister will be well aware that Cornwall is a distinctive region within the UK, with its own unique language and history, and that it has modest ambitions for devolution, not to cut itself off, but to cut itself into the celebration of diversity. Will he meet a delegation from Cornwall so that we can explore how Cornwall can help the Government to make better and more efficient decisions there?

The Deputy Prime Minister: I would be more than happy to meet a delegation such as my hon. Friend suggests. As he knows, this Government are pursuing a radical agenda of devolution, not just to the devolved Administrations within the UK, but to the regions and communities within England.

T9. [80680] **Lilian Greenwood** (Nottingham South) (Lab): As a result of his Government's economic policies, youth unemployment in Nottingham is back up to the level it reached the last time the Tories were in power. The Derbyshire and Nottinghamshire chamber of commerce is calling on Ministers to reprioritise their spending plans to promote growth, investment and exports. The Deputy Prime Minister would not listen to our concerns on police cuts. Is he going to listen to our concerns on growth and jobs?

The Deputy Prime Minister: As I have said, I accept that we need to do more. I do not believe that the generation born in the boom should suffer most in the bust, but I remind the hon. Lady that this is quite a complex issue. Youth unemployment has been increasing steadily since 2004; it increased by 40% during the Labour Government's time in office. I am leading some work on this in Government and I hope to make an announcement soon, particularly in relation to youngsters who are trying to make the transition from education into work. If she has any ideas on this I am very keen to listen to her.

T11. [80682] **Mr Philip Hollobone** (Kettering) (Con): May I relay to the Deputy Prime Minister the frustration, concern and anger of my constituents in Kettering that he is acting against the national interests by using his position to block the repatriation of powers from Europe and by preventing the scrapping of the Human Rights Act?

The Deputy Prime Minister: No Front Bencher in the coalition is talking about the unilateral repatriation of powers from the European Union. Why? Because it simply is not possible—it does not work like that. We have to seek agreement with 26 other countries to get that repatriation. The idea that one could simply get on to the Eurostar, go over to Brussels and come back with a bag load of powers simply is not feasible. Yes, let us examine the balance of powers, as we committed to do in the coalition agreement. I am a pro-European, but I believe in reforming the European Union. I do not believe the status quo is right, but I also believe that we need to act smart and move sensibly.

Mr Speaker: Steve McCabe. Not here.

Lisa Nandy (Wigan) (Lab): Last year, the Deputy Prime Minister, speaking in a professional capacity, set out how he would end child detention by May. It is now November. Does he still believe this practice is immoral and does he still plan to keep his promise? If so, will he tell the House when?

The Deputy Prime Minister: Compared with the previous Government's record of thousands of young people being detained—yes, immorally—behind bars when they were entirely innocent, the new arrangements are a complete, humane, liberal revolution, of which I am very proud indeed.

T13. [80684] **Sheryll Murray** (South East Cornwall) (Con): Currently, the new electoral register is published on 1 December each year. Will there be any change to this system in 2012 to allow the most up-to-date information possible to be available for the police commissioner elections due to be held on 15 November?

The Deputy Prime Minister: The plans for 2012 are just as they are for this year; there will be no change at all.

Chris Ruane (Vale of Clwyd) (Lab): My hon. Friend the Member for Cardiff West (Kevin Brennan) mentioned the issue of Rhyl West. I put down a parliamentary question asking the Minister to look at the specifics of that case. To go from 2,500 to 3,500 registered voters in one year in the poorest ward in Wales, which has 900 houses in multiple occupation, is a fantastic achievement. If the Minister is serious about registration, he needs to look at best practice, so will he look at the issue of Rhyl West?

The Deputy Prime Minister: The Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), and I are more than happy to look at that example. The Select Committee on Political and Constitutional Reform has recommended that a new offence should be created and of course we will look at that—it is always right to look at suggestions from such a distinguished Committee. Under the current offences, only 144 people were prosecuted out of the millions of people on the electoral register last year. That suggests that some of the other things we are doing, such as data matching and making sure that everybody is approached in 2014 to get them on to the register, might be a higher priority than once again creating more new criminal offences on the statute book.

Stephen Williams (Bristol West) (LD): Does my right hon. Friend agree that he has the opportunity in this Parliament to continue the work that was started a century ago by his predecessor, Asquith, and reform the House of Lords? Does he agree that the absolute bare minimum of progress would be the removal of the remaining hereditary peers and the Church of England bishops?

The Deputy Prime Minister: As my hon. Friend knows, our proposals are now subject to extensive scrutiny in a Committee that I hope will report in the early months of next year. I have always believed, as do many hon. Members on both sides of the House, that those who make the laws of the land should in some way or another be accountable to those who have to obey the laws of the land. That founding democratic principle, which is respected in legislatures all around the democratic world, is one that I should like to see installed in the other place as well.

Mr Dennis Skinner (Bolsover) (Lab): Now that the Deputy Prime Minister has displayed a high state of excitement about party political donations, will he do the decent thing as leader of the Liberal Democrats and instruct them to surrender their ill-gotten gains of more than £2 million from that jailbird Michael Brown?

The Deputy Prime Minister: As the hon. Gentleman knows, that matter was independently examined; the Liberal Democrat party was entirely within its rights, and it was entirely reasonable, to accept the money at the time, even though, of course, we would not have done so if we had known then what we subsequently knew. Given that his colleagues on the Front Bench are tabling amendments and deciding how to vote according to what their paymasters in the trade unions say, we need to know whether he and other Labour MPs are voting for what they think is right, or what they think is right for the trade unions.

Mr Speaker: I am sure that the hon. Member for Bolsover (Mr Skinner) is duly flattered, but it is no part of his responsibility in the House to answer questions, or at least not at this mid-point in his parliamentary career.

Richard Drax (South Dorset) (Con): Will the Deputy Prime Minister tell the House when he intends to join the headlong rush to join the euro?

The Deputy Prime Minister: I do not think that there is the remotest possibility that this country will join the euro while I am in government.

Mark Durkan (Foyle) (SDLP): There are concerns that the net effect of the Government's changes will be under-registration in England and Wales. Has the Deputy Prime Minister appraised the impact of that on the distribution of seats to the territorial boundary commissions under the Sainte-Laguë formula?

The Deputy Prime Minister: As the hon. Gentleman knows, I do not agree that moving to individual elector registration in the way we are—in the way advocated by the previous Government, too—will necessarily lead to the outcome he suggests. That is why we are putting so much time into data matching, making sure that there is a period of grace so that people can re-register on the other side of an election, and ensuring that people go from home to home to make sure that everyone has the opportunity to be individually registered.

Miss Anne McIntosh (Thirsk and Malton) (Con): The Deputy Prime Minister told the House that he is responsible for constitutional and political reform. If the ambitious programme that he has set himself proves too ambitious, will he allow a little bit of slippage in reform of the Lords and the equalisation of boundaries?

The Deputy Prime Minister: It is important to be clear about our ambitions, and we have been, right from the outset, when the coalition Government were formed. We have five years to deliver the changes. Yes, they are major changes, but as we saw with the reforms to the Act of Settlement, even the most intractable issues that people believe are not susceptible to reform can be reformed if there is sufficient debate, and sufficient consensus in all parts of the House that reform is desirable. Most people believe, for instance, that reform of the House of Lords is long overdue; it is 100 years since it was first debated.

ATTORNEY-GENERAL

The Attorney-General was asked—

Extradition

1. **Paul Flynn** (Newport West) (Lab): What discussions he has had with the Secretary of State for the Home Department on the Baker report on extradition arrangements. [80645]

10. **Graeme Morrice** (Livingston) (Lab): What discussions he has had with the Secretary of State for the Home Department on the Baker report on extradition arrangements. [80654]

The Attorney-General (Mr Dominic Grieve): I have not had any such discussions with my right hon. Friend the Home Secretary.

Paul Flynn: Does the Attorney-General recall saying, in 2009, when in opposition,

> "Our extradition laws are a mess. They're one-sided. A Conservative government will re-write them"?

Will they? Or is this another example of this Government's signature policy of promising miracles in opposition and delivering nothing in government?

The Attorney-General: The first thing the coalition Government decided to do on taking office was ask Lord Justice Scott Baker to preside over a report; of course, he was helped by others in that. We have now had that report. I will consider the recommendations that are specific to the Law Officers in conjunction with the Director of Public Prosecutions and the director of the Serious Fraud Office. That involves discussions with devolved jurisdictions. Of course, my right hon. Friend the Home Secretary will consult on the recommendations that touch on her responsibilities, together with other members of the Government who can provide some input.

Graeme Morrice: What consideration has the Attorney-General given to implementing a forum bar to give judges more discretion in deciding whether it is in the interests of justice for cases to be tried in the UK, such as the case involving Gary McKinnon, or where the offence was committed in the UK and it is difficult for the defence to bring witnesses and evidence to a foreign jurisdiction?

The Attorney-General: The hon. Gentleman makes an important point, which is touched on in Lord Justice Scott Baker's report, and will have to be taken into account in the Government response. He will be aware that Lord Justice Scott Baker's proposals are guidelines, rather than an implementation of the forum bar. That is something that the Government will have to consider.

Sir Menzies Campbell (North East Fife) (LD): I have the misfortune to disagree with Lord Justice Scott Baker's conclusion in relation to the standard of proof. May we have an assurance from the Attorney-General that in determining these matters proper account will be taken of the principle of reciprocity, and that it will be ensured that British citizens are not at a constitutional disadvantage in comparison with their American counterparts?

The Attorney-General: Mr right hon. and learned Friend makes another important point. Again, that is one reason why we asked for that matter to be looked into by Lord Justice Scott Baker and those who served with him. We are going to have to take account of his proposals, and I hope very much that my right hon. and learned Friend will make a contribution to that discussion.

Stephen Phillips (Sleaford and North Hykeham) (Con): Will my right hon. and learned Friend give the House the reaction, if any, from international counter-parties to the Baker report?

The Attorney-General: I am afraid that I cannot comment on the reaction from international counterparts. There is interest in the matter—indeed, I have been made aware of that by a number of sources, particularly in respect of people connected with the United States. Outside that, however, I cannot comment formally, and I think it is likely that any formal response would go to my right hon. Friend the Home Secretary.

Bribery and Corruption

3. **Yvonne Fovargue** (Makerfield) (Lab): What recent discussions he has had with the director of the Serious Fraud Office on its procedures for investigating cases of bribery and corruption. [80647]

4. **Mr Gerry Sutcliffe** (Bradford South) (Lab): What recent discussions he has had with the Director of the Serious Fraud Office on its procedures for investigating cases of bribery and corruption. [80648]

The Attorney-General (Mr Dominic Grieve): I hold monthly meetings with the director of the Serious Fraud Office to discuss all aspects of the SFO's work, including what it is doing to counter bribery and corruption. The Bribery Act 2010 came into force on 1 July 2011, and the SFO was well prepared for that. The SFO website provides detailed information, including joint prosecution guidance from the director of the SFO and the Director of Public Prosecutions.

Yvonne Fovargue: No one has faced prosecution as a result of the global financial collapse. Does the Attorney-General think that that is because there was no wrongdoing, because the SFO is not doing its job, or because we need a change in the law?

The Attorney-General: I have no evidence that there is any need for a change in the law. As and when matters are brought to the attention of the police or the SFO that require investigation and that may be linked to the global collapse, they will be investigated and inquired into. She will appreciate that I am not in a position to comment on individual cases in the House for obvious reasons.

Mr Sutcliffe: Is the Attorney-General not a little complacent, because the Bribery Act is a new measure that came into force in 2011? There is concern around the world about the way in which global markets have operated, so the SFO should at least have a look at changes that might need to be made to the law.

The Attorney-General: The law on bribery and corruption has been looked at extensively by the House, and new legislation has been enacted. I believe—and I think that this view is shared across the House—that the legislation is fit for purpose. It has been applied in one case domestically, and no doubt it will be applied in cases concerning global finance, too. As I said in response to the previous question, unfortunately, I cannot comment on individual cases, but I have seen nothing in my routine business meetings with the Serious Fraud Office to make me think that this is an area—I understand that it is of concern to the House—that has in some way been overlooked.

Sir Peter Tapsell (Louth and Horncastle) (Con): Following the two questions that I put to the Prime Minister on this subject, will the Attorney-General liaise with the Chancellor of the Exchequer to widen the scope of liability for criminal action against financial institutions, as in the recently passed Dodd-Frank Act in the United States, so that the concept of the presiding mind can be introduced into British law, thus greatly facilitating the prosecution of top bankers who in future behave in a disgraceful way?

The Attorney-General: I thank my right hon. Friend for that. Section 7 of the Bribery Act 2010 already goes some way in the direction of what he suggests. In addition to that, I know that the Law Commission is carrying out research into this area, and I look forward to seeing its conclusions on what changes to the law might be required.

Emily Thornberry (Islington South and Finsbury) (Lab): The Attorney-General will recall that he once said about a case of bribery in Saudi Arabia that decisions balancing the national interest and the need to prosecute should lie with the director of the Serious Fraud Office alone. Indeed, as he has already said, there was cross-party support for Labour's Bribery Act which enshrined that in law. If this is still his view, will he be instructing the Serious Fraud Office to proceed with a full investigation into the allegations by whistleblower Lieutenant Colonel Foxley of £11.5 million in kickbacks paid to senior Saudi officials? When does he expect to make a decision on the case of GPT? If he decides to stop the case, will he come to the House and explain why?

The Attorney-General: May I make two points to the hon. Lady? First, a decision on whether to investigate any matter—I am afraid I cannot comment on an individual case—is a matter for the director of the Serious Fraud Office and the Serious Fraud Office itself. Secondly, if, in the course of such an investigation, issues concerning the public interest were to come to light that required my being consulted and any decision being made, I can assure the hon. Lady that I would come to inform the House of any decision that I took, particularly if any such decision at any time were in any way to override a decision of the director of the Serious Fraud Office, or if there was a public interest matter which led to the case coming to a conclusion other than that which one might have expected.

Gang Injunctions

5. **Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): What discussions he has had with the Crown Prosecution Service on progress in issuing gang injunctions. [80649]

The Solicitor-General (Mr Edward Garnier): None, is the short answer. The Crown Prosecution Service does not have a formal role in applying for or issuing gang injunctions. Those are a civil law tool applied for by the police and local authorities and ordered by the court. A failure to comply with the terms of an injunction is not of itself a criminal offence. That said, the CPS has an interest with other agencies in tackling illegal gang activity. The hon. Lady has been at the forefront in her own constituency and in the House in helping to deal with gangs, and I commend her for that.

Meg Hillier: I am pleased that in a letter to me the Attorney-General indicated that he would be willing to look at having specialist prosecutors from the CPS to deal with gang injunctions, and I hope that we may see that happen in my own borough, Hackney. What progress has been made on the transfer between courts of ASBO applications so that they can be dealt with alongside other crimes, where that is appropriate? We have seen some problems with the reorganisation of courts in our area, which may be contributing to the delay.

The Solicitor-General: From her knowledge of the subject, the hon. Lady will appreciate that there is a difference between ASBOs, which are a post-conviction instrument, and injunctions, which are anticipatory. I am not up to speed on the organisation of courts, which is a matter for HM Courts Service and the Ministry of Justice. None the less, the hon. Lady is right to point out that there is a need for co-ordination. The borough Crown prosecutor in her own constituency is now the central reporting point as far as she is concerned. I hope more progress can be made, and I am happy to discuss this further with her.

Tom Brake (Carshalton and Wallington) (LD): Does the Solicitor-General agree that if gang injunctions are to be effective diversionary schemes and mentors must be available? What progress is being made on that front?

The Solicitor-General: As my right hon. Friend knows, the Home Secretary and the Secretary of State for Work and Pensions recently issued their report on the subject. Of course it requires a great deal of co-operation, diversion and the input of the criminal justice agencies, but we are doing our very best to ensure that this is dealt with.

European Court of Human Rights

6. **George Hollingbery** (Meon Valley) (Con): What advice he has provided to ministerial colleagues on reform of the European Court of Human Rights ahead of the UK's chairmanship of the Council of Europe. [80650]

The Attorney-General (Mr Dominic Grieve): As the Minister responsible for conduct of litigation before the European Court of Human Rights, I have been involved in the discussions on the United Kingdom's priorities for the chairmanship, which the Minister for Europe announced to the House on 26 October.

George Hollingbery: But does my right hon. and learned Friend agree that, despite the adoption of protocol 14, with 150,000 cases still outstanding at the ECHR, equating to a backlog lasting 40 years, further reform of the system of application is clearly needed, particularly with regard to the right of individual petition?

The Attorney-General: My hon. Friend is absolutely right that the backlog is now nearly 160,000 cases. It results in long delays for applicants, including many victims of serious violations, and effectively threatens to deny them access to justice. The Government are determined to try during our chairmanship to secure agreement to a set of efficiency measures that will help the Court deal with the backlog. In particular, we want to develop practical measures to strengthen subsidiarity. Primary responsibility for implementing the convention falls on national authorities in the Council of Europe's member states, and the Court's role should properly be to act as a safeguard for cases where a national authority fails to implement the convention properly. I think that that can be done without removing the right of individual petition, which is an important safeguard in countries that are members of the Council but where the human rights record is not good.

Jeremy Corbyn (Islington North) (Lab): In view of the Attorney-General's last answer, what pressure will Britain bring to bear during its chairmanship on eastern European countries where the treatment of Travellers, Gypsies and Roma people is so appalling and where many of them are unable to access local courts, never mind national ones, so that what happens in the European Court of Human Rights is completely beyond them? Does he not accept the need to pressurise those national Governments who are signatories to the European convention?

The Attorney-General: The hon. Gentleman is absolutely right that all 47 members of the Council of Europe need to observe the terms of the convention. If there were no violations of the convention, no successful cases would be brought before the Court. There are mechanisms—the Committee of Ministers is one—for enforcing judgments that have been handed down and preventing clone cases from coming back again and again and cluttering up the Court. Individual countries can try to take a lead, as I am sure the United Kingdom can, and of course the Human Rights Commissioner is central in trying to improve standards. It is worth bearing it in mind that, despite the hiccups and difficulties, standards are improving overall, which is a measure of the extent to which the convention has been a great success.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Does the Attorney-General recognise that, in seeking support from member states for necessary reforms of the Court, it would be helpful to make it clear that Britain is seeking not to abandon or leave the European convention, but to have a Court that can effectively safeguard against serious breaches of human rights?

The Attorney-General: I entirely agree with my right hon. Friend. That point is made repeatedly by Ministers. I represented the UK two weeks ago in the European Court of Human Rights on the intervention in the case of Skoppola. I took the opportunity to get that message across very clearly in subsequent meetings with a number of people connected with the Court and the Council of Europe.

Crown Prosecution Service

7. **Toby Perkins** (Chesterfield) (Lab): What steps he has taken to ensure that reductions in funding for the Crown Prosecution Service do not adversely affect front-line services. [80651]

9. **Julie Hilling** (Bolton West) (Lab): What steps he has taken to ensure that reductions in funding for the Crown Prosecution Service do not adversely affect front-line services. [80653]

The Solicitor-General (Mr Edward Garnier): The two key priorities of the Crown Prosecution Service over the spending review period are quality and efficiency. The CPS strategy is to protect front-line delivery. Savings were sought in the first instance from back-office functions. Savings made from the front line will be achieved through greater productivity and by maximising the gains from improved criminal justice system efficiency and better use of technology.

Toby Perkins: Under the POD system operating in the Crown courts, only the most serious cases are now allocated to an individual dedicated prosecutor. Can the Solicitor-General tell the House how many cases under that system have been dropped or delayed because evidence was not prepared in time?

The Solicitor-General: No, I cannot, because the CPS deals with hundreds of thousands of cases every year. The POD system is actually in the CPS's offices, not the Crown courts, but I take the hon. Gentleman's point. The point of the POD system is to enable more people to have ownership of cases so that they are dealt with more efficiently.

Julie Hilling: Under the Labour Government the CPS made great progress in prosecuting domestic violence, thanks in large part to the domestic violence training given to prosecutors and the use of dedicated domestic violence prosecutors. Does the Solicitor-General agree that the cuts to the CPS have placed a huge pressure on prosecutors, with the result that dedicated domestic violence prosecutors are now too overloaded with other work to give domestic violence cases the attention they need and deserve?

The Solicitor-General: I agree that the previous Government were particularly adept in dealing with domestic violence policy, and it is an area that my right hon. and learned Friend the Attorney-General and I have taken up with alacrity. I have appeared in the Court of Appeal to deal with unduly lenient sentences relating to violence against women, particularly sexual assaults. I broadly agree with her, but I do not accept that the system is under any strain in the prosecution of domestic violence cases. There are some really dedicated and hard-working lawyers and administrative staff in the CPS working to ensure that women are safe in their homes.

Mr Philip Hollobone (Kettering) (Con): On the quality and efficiency of prosecutions, will the Solicitor-General ensure that parenting orders are pursued far more often in prosecution cases when young people are successfully convicted?

The Solicitor-General: We will endeavour to ensure that all appropriate orders and sentences are applied for and handed out. I am clearly not going to give a running commentary from the Dispatch Box on any particular case, but I agree with my hon. Friend's broad point.

Domestic Violence

8. **Jessica Morden** (Newport East) (Lab): What recent assessment he has made of the effectiveness of multi-agency risk assessment conferences in improving domestic violence prosecutions. [80652]

The Attorney-General (Mr Dominic Grieve): I have not made any recent assessment of the effectiveness of multi-agency risk assessment conferences in improving domestic violence prosecutions. The most recent assessment, which the Home Office published in July, found that such conferences had the potential to improve victim safety and to reduce repeat victimisation, but that a more robust evaluation would be required. We see multi-agency working as a key component of the Crown Prosecution Service's work to improve prosecutions in that area and to support victims, and we will continue to work with the Home Office on the matter.

Jessica Morden: Earlier this year the Attorney-General and the Solicitor-General visited Gwent police's Onyx unit, which they declared to be one of the best in the country at delivering substantial change in the conviction rates for domestic violence and rape. The Attorney-General has repeatedly acknowledged the role that those services play, but can he confirm that he and the CPS are actively monitoring the impact of the cuts on them?

The Attorney-General: Yes, I can confirm that the CPS has very much in mind whether any areas of savings that may be made might have an adverse impact on the service that is provided to victims of violence against women and of domestic violence. My information is that the CPS does not believe that its own work has been in any way undermined or lessened by such measures. That service remains one of its high priorities, and it is a high priority for us as Law Officers as well.

Border Control Scheme

12.32 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab) *(Urgent Question)*: To ask for an urgent statement on border control this summer, covering private flights.

The Minister for Immigration (Damian Green): Let me apologise for the fact that the Home Secretary cannot be here; she is attending an important meeting of the National Security Council.

It is simply not true that immigration and customs checks for all private flights were abandoned under this Government. In fact, the controls against high-risk private flights were strengthened, and that is entirely consistent with our overall approach to border security of using more intelligence-led checks against high-risk passengers and journeys. Far from weakening our border controls, those measures were aimed at strengthening our border.

Under the previous Government, it was clear that the UK Border Agency's procedures for private flights meant that some high-risk flights were missed, and this left our country open to the risk of drug smuggling, illegal immigration and gun running. In fact, the previous Government did not even have agreed definitions of high-risk, medium-risk or low-risk private flights, and there were no standard operational procedures: flights landing in one part of the country might be met by a UKBA team; the exact same flight landing somewhere else might not.

Indeed, under the previous Government, Lord Carlile, the independent reviewer of counter-terrorism legislation, called private aviation the UK's "soft underbelly". To get a grip on that chaotic situation, in January the UKBA developed a new strategy for private flights, with the aim of meeting 100% of all high-risk flights through the use of better intelligence and increased compliance, the greater use of the warnings index and a standardised risk-assessment procedure. It gave us for the first time a consistent national system for dealing with private aviation, and it drew on the resources of the police and other agencies to make sure that all high-risk flights were met.

The strategy makes use of the legal requirement for pilots to submit records of their passengers. Those are checked against the warnings index, and a full, standardised risk assessment is carried out. The UKBA will deploy officers to meet any flight on which police or other intelligence causes concern, or on which there is a warnings index hit. Local UKBA teams, field intelligence officers and the police then work to ensure a high level of compliance with these procedures, which are, for the first time, consistent across the country. In the view of UKBA senior management, the new strategy is finally getting on top of the risk from private aviation.

Everything that Ministers in this Government have authorised has been done to strengthen our borders: resources focused on high-risk passengers and journeys, a new strategy to sort out private aviation, a new National Crime Agency with a border policing command, e-Borders to check passengers in and out of the country, and tough enforcement. Some 400,000 visas were rejected last year and 68,000 people with the wrong documents were prevented from coming to Britain in the first place.

These particular operational changes were made to address a problem that had existed for years and had been identified but not acted on by the Government of whom the shadow Home Secretary was a member. The border is safer now than it was two years ago. I commend this statement to the House.

Yvette Cooper: Last week, the Home Secretary told the House:

> "the only incident of which I am aware when passengers were waved through passport control without any checks at all did not occur during my pilot. It happened in 2004".—[*Official Report*, 9 November 2011; Vol. 535, c. 324.]

Yesterday, I was shown e-mails from the border agency from June 2011, which show that immigrations and customs checks were stopped on arrivals of private flights, in accordance with a new national general aviation strategy. That and the answer the Minister for Immigration has just given contradict the information given by the Home Secretary last week.

Why, then, does the Home Secretary not feel that she should come to this House to answer the growing number of questions about this borders fiasco? She has refused to come to the House and she has refused to do interviews for nearly two weeks. One e-mail from 14 June refers to the instruction not to see passengers arriving on private charter flights for either immigrations or customs purposes and states:

> "we are not allowed to physically see the passengers".

Does the Minister for Immigration agree that the Home Secretary was wrong to say that no passengers had been, as she put it, "waved through" on arrival? Will he now correct that?

According to Treasury figures, there are 80,000 to 90,000 private flights a year. Will the Minister tell the House how many of those flights went through with no checks on arrival and what the security and immigration implications are of not even checking whether the number of people getting off the plane is the same as had been advised? If there was a new general aviation strategy, why did the Home Secretary not refer to it last week? Did she even know it existed? Was it in the weekly updates we now know went to the Minister for Immigration? How does that strategy relate to the so-called pilot?

There are far more questions than answers in this continuing borders fiasco. How on earth can we have any confidence in what the Home Secretary says is happening at our borders? She will not come and answer the questions. She said that no one was waved through, but it is clear that many passengers were. She said that Brodie Clark went further than she authorised and admitted he had done so, but this morning Brodie Clark has said categorically that he did not. She said that the performance of the border agency improved this summer, but this morning the head of the statistics agency described that as a highly selective use of statistics that may, indeed, be in breach of the ministerial code. Did the Home Secretary knowingly provide wrong information or did she just not have a clue what was going on at Britain's borders? She cannot keep running away. She must come to this House herself and answer these vital questions about what was happening at the border agency this summer.

Damian Green: It is a shame that the shadow Home Secretary wrote that rant before she listened to what I said in response to her first question. To say that the

Home Secretary has not been visible in this House is palpably absurd. She was here twice last week—[HON. MEMBERS: " Where is she?"] She is attending a meeting of the National Security Council. I am sorry that the shadow Home Secretary does not seem to think that that is an important part of the Home Secretary's responsibilities. I am sure that the House thinks it is an important part of the Home Secretary's responsibilities. The right hon. Lady's basic accusation that the Home Secretary has in any way not answered these questions is, as I say, palpably absurd.

The second question the right hon. Lady asked—indeed, the only substantive one in her rather scatter-gun approach —was about how many people were coming through without being checked. The answer, now, is that every private flight is checked against the warnings index. *[Interruption.]* I commend Opposition Front Benchers for saying that it is a bit late now. Yes, it is—for 13 years, nothing happened; the right hon. Lady has put her finger on it. There was a shambles in the immigration system, and private aviation was part of it. That was identified by the Government's own counter-terrorism adviser, but they did nothing about it. We now have done something about it, and that means that every flight is checked against the warnings index and every high-risk flight is met. If there have been changes, as there have been this year, they have been for the better and they have made our borders safer.

Mr David Evennett (Bexleyheath and Crayford) (Con): I welcome my hon. Friend's statement on private flights and the need for consistency across the country with every flight checked, as he confirmed. Does he agree that the border force is responsible for allowing only legitimate entry and exit, and that that is what our constituents expect?

Damian Green: My hon. Friend is exactly right. He makes a good point about the border force. The men and women at the border are doing a very good job. All our changes are designed to ensure a more risk-based approach to immigration control—an approach that I was glad to hear commended by the former Home Secretary, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), on the radio this morning—and to make the border safer, precisely by using the expertise of the men and women in the border force who check people coming through the border. Using their expertise more intelligently, and not just having a one-size-fits-all border security system will make, and already is making, our border safer. I think that underneath their bluster, the Opposition agree with that.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Is it not a fact that what the Home Secretary and the Prime Minister said in this House last Wednesday has been completely undermined by the latest revelations, which demonstrate that either they did know what was going on but would not tell the House or they did not know what was going on and could not tell the House? Is it not a fact that our borders are now less secure under this Government, with people coming in who are not even seen by the border agency? This Government have let the country down, and it is about time the Home Secretary went.

Damian Green: The answer to both the right hon. Gentleman's questions is straightforwardly no.

Tom Brake (Carshalton and Wallington) (LD): Does the Minister agree that it is this coalition Government who are going to have to clear up the mess left by Labour, reform a Department deemed not fit for purpose, and secure our borders so that our debate on immigration can be about the skills that the UK economy and the public sector need, rather than about border controls?

Damian Green: My right hon. Friend is right. I am sorry that the Opposition cannot elevate the tone of the debate. As I say, it is interesting that when Labour Home Secretaries cease to be Home Secretaries and become former Home Secretaries, they commend the degree of consensus about using a risk-based approach to security control and immigration control. That would be a sensible way for this debate to go forward, because it is perfectly clear that the long-term solution to the many challenges at our border is to use our resources as intelligently as possible and to use the very good people we have at the border to cope with and combat the highest risks. That is what the general aviation policy was meant to do, as was our pilot over the summer, and the early signs are that they are indeed successful. The Opposition can argue about the details, but I would genuinely welcome some common sense and support for these principles from the shadow Home Secretary. That would be a more sensible approach that the one she has taken until now.

Paul Goggins (Wythenshawe and Sale East) (Lab): Given that the Home Secretary's policy was consistent across the country, will the Minister confirm that a number of private planes were allowed to land at Manchester airport this summer without proper customs and immigration checks? If that is the case, will he tell me how many?

Damian Green: The point of the pilot and of the private jets policy was to improve checks. The idea that there were no immigration checks is simply wrong. It is wrong in relation to Manchester airport and wrong in relation to other airports. The right hon. Gentleman asked how many flights arrived without immigration checks. The answer is none.

Tony Baldry (Banbury) (Con): Could the Minister kindly explain what happened under the previous Government before the change to the new general aviation policy that is based on a risk-based assessment?

Damian Green: What used to happen under the previous Government was that flights were designated as high, medium or low risk, but there were no criteria by which anyone could judge whether flights were high, medium or low risk. All the very good people at the border therefore took a view on an individual basis. The result was complete inconsistency between different parts of the country. I cannot think that anyone addressing this matter in a fair-minded way would say that having a decent set of national criteria about what is a high or a medium-risk flight is less sensible than the chaos that existed before.

Tony Lloyd (Manchester Central) (Lab): The shadow Home Secretary asked the Minister a direct question. What he has announced this morning is inconsistent with what the Home Secretary told the House last week. Did the Home Secretary know?

Damian Green: Nothing that I have said this morning is in any way inconsistent with what the Home Secretary said last week.

Mr Rob Wilson (Reading East) (Con): Has the Labour party passed on all the details that it says it has received from border agency staff about private flights? Has the Home Office had time to check the veracity and accuracy of those allegations?

Damian Green: The Labour party, predictably, has passed the information on to newspapers, so we know what it has. *[Interruption.]* I do know about that. I will not stand here and condemn people for using leaked information. I merely point out to the shadow Home Secretary that it is rather more effective when one produces documents that show that Ministers have done something wrong. Throughout this affair, she has so far signally failed to do that.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Will the Minister please tell the House how many of our border operations he has visited in the past 18 months?

Damian Green: All the big ones. I have been to all the major airports and all the major UKBA centres, as well as to several of the biggest overseas visa operations. The hon. Lady is quite right to suggest that Ministers should get out and talk to people who are actually doing the job. I do that as often as I can.

Claire Perry (Devizes) (Con): As somebody who has spent their fair share of time with wailing infants in long immigration queues, I think that families across the country would welcome a more rational, risk-based approach to delivering results with scarce resources. Does the Minister agree that the fake outrage from the Labour party sits badly with its track record of 2.2 million people coming to this country, half a million asylum seeker claims and an open border—

Mr Speaker: Order. We are grateful to the hon. Lady for getting her views on the record. Unfortunately for her, the Minister is not responsible for the record of the previous Government.

Mr Gerry Sutcliffe (Bradford South) (Lab): The public know that this is a shambles. We are getting the facts today only because of an urgent question from my right hon. Friend the shadow Home Secretary. Will the Minister put on the record the times that he has met Brodie Clark to discuss the pilot and the change in aviation strategy so that we can get the truth? The only way we are getting the truth at the moment is by forcing Ministers to come to the Dispatch Box.

Damian Green: I am very grateful to the hon. Gentleman for that point. He said some disobliging things about me in the debate last week, which was sad because I have always got on with him. He has given me the opportunity to say that in the year that he spent as shadow Immigration Minister he did not put down one written question on immigration. I am therefore entitled to doubt his deep interest in this subject. The answer to his question is that there are investigations going on. Clearly, all the facts are being put to the investigators. John Vine will publish his investigation in due course. He is an independent investigator and he will decide what to publish.

Mark Pawsey (Rugby) (Con): I have been contacted in the past hour by a constituent who is a photographer, who carried metal boxes full of photographic equipment on private flights and took them through Stansted, with no checks, in the years up to 2002. The problem has therefore existed for years, including when the Labour party was in power, and it is plain wrong for the Opposition to raise the issue in the manner in which they have.

Damian Green: My hon. Friend is quite right to point out the shambles that was in place before, but as you pointed out, Mr Speaker, that is not my responsibility. I am very grateful for that. What I am responsible for is what happens now, and my hon. Friend makes a good point. That is precisely why we are making the changes that we are across the borders system. As I have said, using risk-based and intelligence-based measures will give us safer borders in the long run. Stansted is one of the airports where there have already been significant changes to plug some of the loopholes that existed. There is certainly more to be done at Stansted, Manchester and other airports, and I am not saying that the system is now perfect, but it is getting better.

Alex Cunningham (Stockton North) (Lab): Part of Durham Tees Valley airport is in my constituency, and today we are getting conflicting information from officials there, one claiming that security is very much compromised, particularly in the case of private flights, and another claiming in today's *Evening Gazette* that the airport is 100% secure. Will the Minister please tell the House who is right, and at least try to reassure the people of Teesside and beyond that their airport has taken the necessary steps to protect them and our borders?

Damian Green: The hon. Gentleman actually makes a very deep and important point. Different people working at the front line, presumably alongside each other, can genuinely have different perceptions of how good the system is. I would not go as far as the optimistic one of his constituents who says that it is 100% secure all the time—it would be foolish for any Immigration Minister to say at any time that every part of our border is 100% secure. However, I can absolutely reassure him, his constituents and the workers at the airport that we are doing our best to set up systems that make it more secure, and that we will keep doing so.

Alex Cunningham: It is not secure now.

Damian Green: Well, that is not what the hon. Gentleman's constituent has told him.

Henry Smith (Crawley) (Con): For years there has been contamination of people arriving at entry points on domestic and international flights. Can the Minister assure us that such contamination will come to an end, and that there will be segregation of incoming passengers?

Damian Green: I am indeed aware of that, particularly at Stansted and Gatwick, and it is one of the priorities at the moment.

Ian Paisley (North Antrim) (DUP): May I push the Minister for a little further clarification on the issue of flight warnings? There are 80,000 to 90,000 flights entering the United Kingdom. Can he assure us that the new checks that he mentioned will apply to flights that land in Northern Ireland, that there is no loophole for entry into the United Kingdom without those checks and that devolution does not have an impact on this aspect of the matter?

Damian Green: Any overseas flight that arrives in Northern Ireland from outside the common travel area will be treated like any other flight. Of course, the hon. Gentleman will know that there are complications and issues to consider with the common travel area, and as part of the list of things on which we are now acting, I am considering how to strengthen it so that we properly address the various problems that I know he and his colleagues from Northern Ireland have identified.

Kris Hopkins (Keighley) (Con): Does the Minister agree that the previous Government's reckless open-door immigration policy resulted in problems in community cohesion in many of our towns, and that we should not be taking lectures from individuals on the Opposition Benches?

Mr Speaker: Order. The hon. Gentleman has put his concerns on the record, but we must stick to the Minister's responsibility.

Bob Blackman (Harrow East) (Con): Will my hon. Friend the Minister remind the House what lessons have been learned as a result of the pilot, and what changes he is making to the system to ensure that our borders are secure?

Damian Green: The pilot is still being evaluated, but my right hon. Friend the Home Secretary has already said that the initial reported information suggests that it led to more interception of illegal immigrants, fraudulent documents, drugs and guns. The initial signs from the management information that we have suggest that the pilot was extremely positive, but there will be a full evaluation and then we will decide what is best to do for the future.

Mr Kevan Jones (North Durham) (Lab): Further to the question from my hon. Friend the Member for Stockton North (Alex Cunningham) about Durham Tees Valley airport, will the Minister say exactly how many private flights arrived and were not checked? If he does not have that information to hand today, will he publish it?

Damian Green: As I have said several times, every private flight is checked against the warnings index. *[Interruption.]* The shadow Home Secretary, characteristically chuntering from a sedentary position, as she does throughout, is talking about that happening when flights arrive. It is actually safer to check them before they arrive, and that is what the warnings index is for. All private flights are checked against the warnings index before they arrive, and I tell the right hon. Lady—*[Interruption.]* I will tell her, if she will stop talking for a second and listen, that it is safer to check them before they arrive. That was why her Government and the current Government spent hundreds of millions of pounds on the e-Borders project—so that we could get the information before people came to this country. That was how we managed to prevent 68,000 people from even getting on planes to come here. If the Opposition Front Benchers cannot understand that stopping people before they arrive here is a better system, I fear that they do not understand the first thing about immigration control.

Nick de Bois (Enfield North) (Con): In his evidence to the Home Affairs Committee, Brodie Clark said that he had sanctioned the relaxation of fingerprint checks at Heathrow. Was the Minister made aware of that?

Damian Green: For understandable reasons I have not been following what Brodie Clark has been saying over the past hour. I think it would injudicious of me to comment on anything that was said at a Select Committee hearing this morning when I was concentrating on the urgent question.

Phil Wilson (Sedgefield) (Lab): Durham Tees Valley airport is in my constituency. How secure can the people of Teesside and Durham be if people arriving at the airport are not checked, not passed through immigration—not even waved through—and not even seen, because they have arrived on a private jet?

Damian Green: For the fourth time, I will tell Opposition Members—I wish their Whips could have thought of more than one question for them to read out—that every private flight is checked against the warnings index before it arrives. That is what makes it safe.

Mr Philip Hollobone (Kettering) (Con): My constituents want to know the definition of private flights, which of the main airports they fly to, and what proportion of total passenger numbers is made up of such flights.

Damian Green: The definition is a flight that is not a scheduled flight. The number of airports that they fly into is in the hundreds, because frankly anyone who puts up a windsock in a field can have a private airport, but the number regularly used for private flights is between 100 and 150. The biggest usage of private flights is into our biggest airports, because most of them tend to be business flights.

Owen Smith (Pontypridd) (Lab): The Minister keeps reassuring us that the system he has put in place is now safer, but UKBA staff are clearly not reassured of that, because one e-mail from them states:

> "we are not allowed to physically see the passengers…we have no way of checking whether the handling agent information is correct or even if the number of people arriving…matches the number we have been advised."

How, in that case, can the Minister tell us that he knows who is arriving and exactly how many people are on the incoming planes?

Damian Green: Because we are working much better than ever before with airports overseas, so we can check who is getting on the planes in the first place. As I keep repeating, it is better to do that overseas than to wait until people are in this country.

Neil Parish (Tiverton and Honiton) (Con): Is it not necessary for us to bring in these tighter controls, because of the 2.2 million net immigration between 1997 and 2009 under the last Government?

Damian Green: There are two separate issues here, both of which need addressing. One is the vast number of people who arrived legally under the previous Government's conscious policy of increasing immigration to unsustainable levels. Secondly, there is what we are discussing this morning—the fact that our borders were not sufficiently secure. Just as important as bringing down the legal numbers is making our borders more secure by a number of methods, such as the use of technology, the pilots that we operated in the summer and changing how we look at private flights. The various actions that we are taking are all designed to make the border safer.

Karl Turner (Kingston upon Hull East) (Lab): The question has been asked several times, and I know that the Minister is frustrated, but I wonder whether he will give an answer. Does he think it acceptable that on his watch the UKBA could not even check passengers coming off private flights? Any chance of an answer?

Damian Green: I am tempted to revive that old parliamentary chestnut: "I refer the hon. Gentleman to the answer I gave some moments ago." As I keep saying, it is better to do it overseas, which is what we do. It is also safer, and all the experts agree it is safer—and frankly, if the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) were still sitting on the Government Benches, she would be saying that it was safer as well.

Several hon. Members *rose—*

Mr Speaker: Order. I am sorry to disappoint some colleagues, but time is against us—there is heavy pressure on time from Backbench Business Committee business—and we must now proceed.

Metal Theft (Prevention)

Motion for leave to bring in a Bill (Standing Order No. 23)

1 pm

Graham Jones (Hyndburn) (Lab): I beg to move,

That leave be given to bring in a Bill to introduce a licensing scheme for scrap metal dealers; to enable magistrates' courts to add restrictions to licences to deal in scrap metal; to require that financial transactions in trade in scrap metals be restricted to cashless payments; to give police officers powers to search properties owned by scrap metal dealerships; to provide that scrap metal proven to have been obtained through theft may be classified as criminal assets; to introduce criminal charges for theft of scrap metal which take into account aspects of the crime other than the value of the scrap metal stolen; and for connected purposes.

The crime of metal theft is reaching a crisis point in this country. According to the Energy Networks Association, metal theft from electricity networks rose by some 700% between June 2009 and June 2011. Organised crime has been involved in scaling the tallest electricity pylons and cutting down heavy tensile cable from the top of 275,000 V towers. The Association of Chief Police Officers has conservatively put the national cost of metal theft at £770 million. Figures from the British Transport police show that theft of overhead power cables has risen by 70% over the last year, with 2,712 cable-theft-related crimes registered in 2010-11. There are eight thefts or attempted thefts of railway cable every day, which has so far caused 240,000 minutes of delays to rail passengers this year and cost Network Rail £43 million over the last two years.

Yesterday, representatives of South West Trains told me of an incident involving a train travelling at peak hours from London. Metal thieves cut and removed a signalling cable and then, while Network Rail repaired it, cut a further section. The live shock could have seriously injured or killed Network Rail staff, while packed commuter trains were left at a standstill. Delayed and besieged passengers began exiting trains by climbing the embankments, crossing the live third rail. The result was an even greater section of the rail network having to be switched off for safety reasons—and this seven months before the Olympic games. In Burnley last week, something as simple as the theft of seven £75 brass padlocks left electricity substations exposed to inquisitive children. The past year has also seen six fatalities and 50 serious injuries, and I am sure that everyone in the House has been shocked by the increasingly numerous stories of thefts from war memorials. War memorials are being stolen, sold and scrapped because the regulatory framework surrounding metal recycling is so ineffective. In combination with the soaring international price of metal, there are effectively incentives to steal.

Metal recycling is a valuable industry. It is a sustainable means of reusing an important and increasingly expensive commodity. However, the soft regulatory framework undermines that logic by encouraging thieves to take materials that are still in use. The problem lies precisely in the fact that it is stolen metal that is being recycled. My Bill will go some way to removing the incentives to steal created by weak regulation in the industry. This is not red tape; the intention is to reduce the costs to businesses and the public purse incurred through damage to the nation's infrastructure. Such regulation would allow legitimate, law-abiding and socially responsible scrap metal dealers to flourish. Indeed, a few scrap metal dealers already perform much of the requirements of the Bill in best practice.

Yesterday I met with representatives of SITA UK, a company that recently entered the metal recycling industry. They told me that they were shocked and appalled by the level of malpractice in the sector. The chief executive of SITA UK gave his full backing for the six elements of the Bill. So far, there has been no opposition from the affected industries to any of my six proposals. In fact, quite the reverse: they have received almost universal backing, with the concern now being that if we do not go far enough now, the problem will continue to escalate. The consensus in the industry is that the six measures in my Bill are vital if anything is to be done to stop the escalating crime. I now turn to those six provisions.

First, the Scrap Metal Dealers Act 1964 must be amended so that the current registration regime can be replaced by a robust licensing regime that is funded by a licence fee paid by scrap metal dealers. That is the first step towards something resembling a regulated industry. Secondly, property obtained through theft should be regarded as criminal assets. Classifying stolen metal as criminal assets would allow the Proceeds of Crime Act 2002 to apply. Crucially, that will impact on those who think that they can evade any regulatory regime. Thirdly, police authorities should be given the power to search and investigate all premises owned and operated by scrap metal dealers suspected of dealing in stolen property, as well as the power to close scrap metal dealers where criminally obtained metals are discovered.

Fourthly—there is a great deal of consensus in the affected industries on this point—trade in scrap metals must be restricted to cashless payments, with a concurrent requirement that scrap metal not be sold or processed until payments have cleared. Ministers may think that onerous, but such a system has been successfully implemented in France, Belgium and much of the United States. Alongside that, dealers should operate CCTV and require photo identification of sellers. Those measures would remove the anonymity of the seller and require honesty of the dealer. I have been informed by the industry that scrap metal is a £5 billion industry, with an incredible £1 billion estimated to be exchanged in cash payments. That amount of cash usage is unseen in any comparable, legitimate industry, and should also interest the Serious Organised Crime Agency and Her Majesty's Revenue and Customs, if for no other reason than to verify its legality.

Fifthly, magistrates should be given the power to add restrictions to licences to deal in scrap metal, should they feel it necessary. Local knowledge is indispensible in addressing such crimes. Finally, the Theft Act 1968 should be amended so that sentencing is proportionate to the consequences of the crime, not the value of the metal stolen. A tougher sanctions regime is central to combating metal theft. That is important, because there has to be a realisation that we cannot police Britain's metal estate. We have to accept the reality that there will always be an opportunity to steal metal and get away with it. We must adjust the deterrent sentence accordingly. The tariff must also reflect the fact that the theft of scrap metal worth £20 may cause £500,000 of damage or risk lives.

There is widespread support for the Bill in its current form. Yesterday I held a meeting in Parliament attended by representatives of BT, Network Rail, the Energy Networks Association, the Local Government Association, South West Trains, E.ON, Arqiva, Ecclesiastical Insurance and SITA UK, among others. They fully support the Bill in its entirety. In addition, I have received vocal support from the Country Land and Business Association and Lancashire constabulary. It is now time for the UK to prevent this epidemic plague. Supporting the Bill is an important step in demonstrating that this House not only takes seriously the theft of our heritage, public art and vital infrastructure, and the protection of churches and war memorials against desecration, but is willing to support tough measures. Therefore, I commend this Bill to the House.

Question put and agreed to.

Ordered,

That Graham Jones, Margot James, Mr John Spellar, Steve Rotheram, Mr Tom Watson, Bill Esterson, Pat Glass, Mr Alan Campbell, Martin Caton, Chris Kelly, Kate Green and Andrew Percy present the Bill.

Graham Jones accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 January, and to be printed (Bill 249).

Backbench Business

[35TH ALLOTTED DAY]

Fisheries

1.10 pm

Mr Frank Doran (Aberdeen North) (Lab): I beg to move,

> That this House considers that the Common Fisheries Policy has failed to achieve its key objective of producing a sustainable European fishery; welcomes the review of the policy by the European Commission; and urges Her Majesty's Government to ensure that a revised Common Fisheries Policy makes particular provision for—
>
> (a) a move away from a centralised management system to a system of regional management of fisheries involving all stakeholders and strengthening of the local management of the 12-mile limit;
>
> (b) a manageable and practical scheme to eliminate the problem of discarded fish; and
>
> (c) the replacement of the current system of annual quotas with a multi-annual system of management focused on conserving fish stocks within a sustainable fishing industry, in particular to protect the viability of low impact fishing.

Before I address the issues in the motion, I want the House to remember the bravery of our fishermen, and the incredibly difficult and dangerous work that they do. Fishing remains the most dangerous occupation in this country, and we remember them for their brave work and send our condolences to the families of those who have died. I remember in particular the tragic circumstances in which the husband of the hon. Member for South East Cornwall (Sheryll Murray) died in a shocking accident recently. We send our condolences to her in particular.

The common fisheries policy was established in 1970, before Britain joined the then European Community. Many people believe that the industry was traded as part of wider negotiations on access to the community. That is certainly the view of many in the fishing industry today, and it has coloured their opinion of the CFP ever since. Whatever the circumstances, the British fishing industry changed for ever when this country acceded to the common market in 1973.

Experience tells us that the CFP has failed in its objectives. Its primary objective was the

> "rational and sustainable exploitation of fish stocks",

but, over the life of the CFP, fish stocks have deteriorated considerably, as has our fishing fleet. The system is broken in several places. Decision making is centralised in Brussels, and it is far too complicated. The management style is far too top-down. Decision making is short term, and there is a one-size-fits-all culture. There are also serious issues with the science, but the science determines at least the direction of Council decisions on quotas. We have a system that operates on the basis that management measures and plans for EU stocks can all be created centrally by the Commission, that member states will enforce those rules, and that fishermen will obey them. To put it mildly, that does not reflect the reality of the fishing industry in Europe.

I should like to focus on two issues. The first is the problem of discards, which is high on the agenda. We are all opposed to the principle of good, saleable fish being thrown back into the sea. Television programmes, celebrities and many others outside and inside the fishing industry tell us that that is a bad thing, and of course it is a very bad thing. It is offensive to most of us, it is wasteful, it affects the viability and sustainability of fish stocks, and it distorts the science and scientific advice. It also deeply affects our fishermen, who are forced to throw perfectly good fish back into the sea to rot. The discard of fish is a direct consequence of the one-size-fits-all management approach by the European Commission and its strict adherence to a system of quotas applied to single species over the past 28 years.

The principle of the total allowable catch—TAC—system is questionable in itself, but the refusal to recognise that many fisheries are multi-species and require a much more sophisticated response is a significant sign of the inability of the present system to meet the needs of the fishing industry. Despite the huge improvements made by fishermen, particularly in Scotland, to use more sophisticated gear and other methods to avoid by-catch, it is still a major problem that the Commission has failed to address.

Then there is the even more difficult subject of black fish. From the earliest days of the UK's membership of the CFP, that has been a problem, not just in the UK but across Europe. Until relatively recently, the subject was ignored by successive Governments. In the1970s, it was estimated that over 20% of the haddock caught in the North sea was illegally caught. Recent inquiries set up by Grampian police, Northern police and Her Majesty's Revenue and Customs have resulted in a number of convictions of fishermen and fish-processing companies.

One statistic from a report published in July by KPMG gives a good idea of the scale of the fraud that has been uncovered. The report looked at crime in the corporate world in the first six months of this year, and it showed that, in Scotland, company fraud rose from £2.8 million last year to £94.1 million this year, of which £91 million related to prosecutions for illegal fishing. The sums involved are huge. Everyone in the fishing industry knew that it was going on, and that goes right up to Ministers and their officials.

The fraud has had a number of consequences. One has been a serious distortion of the science, much of which is based on the recording of the details of individual landings. It is clear that, for many years, the recorded landings have been wrong. There have also been serious consequences for many of the businesses that refused to become involved in the black fish trade. Most of them lost trade, and many went bust because their customers could get cheaper fish on the black market. I wish to discuss the related issues in more detail with the Minister, and I will contact him later with a view to arranging a meeting.

It is extremely important to stress that illegal fishing is not unique to the UK, and that it happens in many other countries. Following new regulations introduced in Scotland in 2004 requiring the registration of fish sales companies, the problem of black fish seems to have been almost eradicated. However, black fish and discards are two areas in which the Fisheries Commission has been blind to the impact of its policies. The policies in both areas have been immensely damaging to the fishing industry, not just here in the UK but across Europe, and of course both practices distort the science on which the whole quota system is based.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I congratulate the hon. Gentleman on securing the debate, and on the motion. Having identified some of the crucial failings of the common fisheries policy, the motion also identifies one of the key solutions—namely, regional management. That would involve those with a stake in the fishing having a say in the policy. In that way, they would know what was going on and have a vested interest in ensuring that the policy was successful.

Mr Doran: I agree with the hon. Gentleman. One of the key needs of the fishing industry is to remove the top-down system of management and to involve the whole industry, right down to the level of the fisherman on the fishing boat. I will address that issue in a minute.

We are now promised a radical review. The Fisheries Council seems to recognise some of the issues on management. For example—picking up on the hon. Gentleman's point—the possibility of devolved decision making is explored in the consideration of the transfer of responsibility away from the centre to the regional seas level and of the inclusion of the fishing industry. There is a strong view in the industry that decentralisation is essential for the future of the UK fishing industry, but it must be decentralisation that is meaningful and that works.

Industry leaders are worried about the lack of detail in the proposals and also about the model put forward by the Commission, as it will require member states with an interest in the various regional seas to co-operate. This has led to fears that regionalisation will simply result in a further layer of bureaucracy and cost. There is concern that the European Parliament, having recently been given new powers, might be reluctant to give them up. There is a history of that happening.

The industry would like to see member states with an interest in regional seas co-operating with regional advisory councils at regional sea basin level to prepare comprehensive management multi-annual plans. The regional advisory councils have been incredibly successful, particularly here in the UK and in other European countries. They must play a vital part in any proposals.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I, too, congratulate my hon. Friend and his colleagues on tabling this motion. It has broad support across the House, not just across the parties but among those who sometimes have differing points of view on EU-related issues. Does knowing that the House is united not give the Government strength going into the negotiations to take the opportunity of what appears to be some movement with the Fisheries Commissioner to get the solution that has been demanded by our constituents and communities for so long?

Mr Doran: My hon. Friend is absolutely right. We have a habit in fisheries debates in sending the Minister off to Brussels with all our support and help. This is not a party political issue; there might be many issues we disagree on, but this is certainly not one of them. The hopefully full support of the House expressed in this motion today is important.

The consultation also proposes a complete ban on discards. Commissioner Damanaki suggests a gradual approach, starting with a limited number of fish species in the ban. The starting point will be in the pelagic fisheries, moving on later to the demersal fisheries. Of course we all want to see a ban on discards, but any proposal to ban them must take account of the reality of fishing. The proposal suggests that the Commission will not budge from its current policy of a species-by-species approach, which ignores the reality of mixed fisheries. Our current science is inadequate and is unable to deal under the current rules with mixed fisheries. A large amount of discards come from those fisheries; what is needed is an ecosystem approach that recognises that many different species of fish—

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Does the hon. Gentleman agree that much of the problem of discards comes from the EU rules themselves, particularly the catch composition rules, which mean that the seven target species are not caught to a certain degree, but so many other kinds have to be dumped as a result that it amounts to absolute madness from the EU?

Mr Doran: The hon. Gentleman is absolutely right. There are many reasons for the high level of discards, and what he suggests is certainly a major one.

What we need is much greater emphasis on the science and particularly on making the science fit the management purpose. We have had more than two centuries of fisheries science, but in the present condition I understand that there is no analytical assessment of around 60% of the stocks in our waters. The science needs to improve, it needs to consider the specific problems associated with mixed fisheries and it needs to inform a sustainable policy. Of course, the Fisheries Commissioner's proposals will work with some fish stocks, but it will fail—and fail miserably—if the same rules are applied to mixed fisheries.

Andrew George (St Ives) (LD): In that case, does the hon. Gentleman agree that the practice of taking scientists on fishing vessels should be extended throughout the industry, because it will help to provide the best possible data for the future management of fisheries, especially in circumstances where we cannot distinguish between the intentional and unintentional over-catching of certain species, particularly in the mixed fisheries?

Mr Doran: One major problem with the science is that there is not a close enough relationship between the science and the fishermen. The hon. Gentleman is absolutely right. Other countries such as Ireland do that, and I do not see why we cannot have scientists on our boats and secure much more co-ordination with them. As I say, the science needs to improve, it needs to consider the specific problems associated with mixed fisheries and it needs to inform a sustainable policy. Of course the Fisheries Commissioner's proposals will work, but not in the mixed fisheries.

Let me say a brief word about the December Fisheries Council meeting. I know that other colleagues will enter the debate on various aspects of the Commission's proposals, but this is the only opportunity we will have to say something to the Minister about the Fisheries Council in December. As usual, there are many issues on the agenda; let me run through them very quickly. As far as the industry is concerned, the major problems are the pre-programmed effort and total allowable catch reductions required by the cod recovery plan, the mismatch

[Mr Doran]

between the science and the Commission's proposals for 2012 TACs, and the continuing saga surrounding Iceland, the Faroes and the pelagic stocks. I hope that the Minister will deal with all those issues in the meeting.

Ian Paisley (North Antrim) (DUP): Does the hon. Gentleman agree that the success of this debate and the House's attitude will be measured largely in December at the Council meeting? If the Council is allowed to ram through another 25% reduction in our total allowable catch, it will effectively put more fishermen out of business and completely ignore the wishes of this place?

Mr Doran: I have two quick points for the hon. Gentleman. The Commission says that it will follow the ethos and philosophy of the recommendations in the consultation document. Yes, there is a mismatch between the science and what the Commission is proposing.

I was about to say that, in the 20 years of my attendance at fisheries debates in this place, I cannot remember a single good word being said about the common fisheries policy. I think that that reflects the views of most of my colleagues here. For a number of years the former Prime Minister, Ted Heath, attended these debates—not to support the fishing industry in Bexley or even to defend the CFP, but to defend his decision as Prime Minister to sign up to the CFP when the UK joined the then European Community. He put up with a lot of abuse and many attacks over the issue, particularly from his own side, but he stood his ground and maintained that the decision he made was in the best interests of the country. The current CFP review gives us an opportunity to argue for a much more radical change to the CFP—one that recognises the past failures of the system and puts in place a CFP that is fit for purpose in the 21st century.

The three issues set out in the motion—regional management, a practicable scheme to end discards and a multi-annual system of management—are a good starting point and we look forward to a positive outcome from the negotiations. In the meantime, there is work to be done at the December Council, and I wish the Minister well.

Several hon. Members *rose—*

Mr Speaker: Order. Given the level of interest in this debate, I have imposed a five-minute limit on each Back-Bench contribution.

1.25 pm

Miss Anne McIntosh (Thirsk and Malton) (Con): May I congratulate the hon. Member for Aberdeen North (Mr Doran) and my hon. Friends, especially my hon. Friend the Member for South East Cornwall (Sheryll Murray), on securing this timely debate? The Select Committee, which I have the honour to chair, hopes that we might return to debate the work it is currently undertaking on this very subject. I hope that the hon. Gentleman and others will follow the direction of travel of the current EU negotiations, which seems very positive indeed. These are ground breaking and should command the support of all member states. The challenge to the Minister who will be leading these negotiations for the whole of the United Kingdom is to ensure that it is not just the northern member states that support these ground-breaking proposals from the Commission, as it is important for the southern member states to do so as well.

At the outset, I draw the House's attention to the Select Committee's initial report, "Implementation of the Common Fisheries Policy: Domestic Fisheries Management", which was adopted on 18 May. We urge the Government to continue the work to find a market for less popular fish. I am delighted to see that that is part of Commissioner Damanaki's current thinking. It is also important to implement the excellent work done under the previous and the present Government on "Project 50%". Fantastic work was done in a short period of time to reduce discards by employing more selective gear. We would like to see that project pushed out widely across English fisheries.

We press for a reduction in discards as a key element in the current common fisheries policy negotiations and we want to ensure that the interests of the under 10 metre fleet are represented in them. There is common ground in what the hon. Member for Aberdeen North said about the eye-watering lack of scientific evidence. We must have the means to improve the scientific evidence before we agree any further round of reform.

I would like to sound a note of caution to the Minister—in a personal capacity, if I may. I think it is misleading for the UK to talk about under 10 metre boats when the European Union talks about under 12 metre boats. Will the Minister address the issue of whether we are disadvantaging our own fishermen in that regard?

In representing the six families who fish out of Filey Coble Landing and all who fish the Yorkshire coast from Scarborough, Whitby and Bridlington, I urge the Minister to reflect very carefully indeed before contemplating for the UK any introduction of a quota for lobster, crab and shellfish. I believe that the Minister is going forward in absolutely the right way by looking at pilot schemes. It has been put to me by the local fishermen that they are excluded at the moment from the cod and other quotas and that they are doing very nicely on a sustainable basis from lobster, crab and shellfish, so they do not wish to see their incomes penalised or jeopardised in any way.

I entirely agree with the hon. Member for Aberdeen North that we have not seen enough flesh on the bones of the Commission's proposals. That is causing great anxiety. We need to know how the European fisheries fund will be replaced, and in particular how it will apply to active fishermen and coastal communities. I should like to know how the Minister thinks that we will navigate around the legal base, and how regionalisation will work.

This is the first occasion on which co-decision will rule the operation of these ground-breaking negotiations, so let me end my speech on a positive note. I hope for a maximum sustainable yield, an end to discards, and regionalisation of the industry.

1.30 pm

Katy Clark (North Ayrshire and Arran) (Lab): It is a pleasure to speak in the debate. I shall do so mainly on the basis of representations made to me by constituents, especially those who have been actively involved in marine conservation. My constituency contains a very active community-based organisation called COAST, which has campaigned successfully for Scotland's first no-take zone in Lamlash bay on the isle of Arran. Many of those involved in the campaign come from a fisheries background, or have been involved in marine conservation issues as divers or scientists.

One of the main points that I shall make today is that sustainability—and, indeed, the approach taken by both the Scottish and the United Kingdom Governments to the creation of ecosystem-based marine conservation areas and zones—should be at the heart of our policies. Unless we start to address more seriously and effectively the significant conservation problems that exist in our seas, we will not have a fishing industry in this country. I believe that Members on both sides of the House, and both the United Kingdom and Scottish Parliaments, want a policy that is more effective in terms of sustainability than the common fisheries policy, which, as is well documented, has not been successful in its own terms.

There has been much talk of quotas, and specific species have been cited. Unless we take an ecosystem-based approach and recognise the inter-relationship of different species, we will not solve our problems. The Chair of the Select Committee, the hon. Member for Thirsk and Malton (Miss McIntosh), mentioned the lack of scientific evidence, but another problem is the lack of transparency. We need much more information about, for instance, who holds the UK's fishing quota.

The fishing rights that we have as a country belong to the general public, not to individuals, but I fear that unless we are careful, the proposed individual transferable quotas may lead to the effective privatisation of our fishing rights. I remind the Government that although transferable quotas have worked well in some ways in other countries, particularly the United States, they have also had a devastating impact on many communities.

I represent a part of the world where there used to be massive fishing fleets. Now only six vessels operate from my constituency. The seas have been fished out. We need to state clearly that we have a fishing crisis and a conservation crisis. I hope that the British Government will enter the negotiations on the CFP with an ecosystem-based approach at the top of their agenda, because that is the only way in which we shall be able to create the space that will enable our ecosystem to redevelop. Although we have had a no-take zone for only two or three years in Lamlash bay, we are already seeing an increase in the number of scallops and some species of marine life that have not existed in that part of the world for many years.

I urge the Government to look closely at the Marine and Coastal Access Act 2009, and to bring together policies not just to defend those whose livelihoods depend on the fishing industry, but to ensure that we have a fishing industry in the future, and plentiful supplies in our seas.

1.35 pm

Ian Swales (Redcar) (LD): I want to speak about the local inshore fishing industry in the Redcar area. One of my constituents in particular, Peter Rolph, has drawn the issue to my attention. He lives in Redcar but fishes out of Hartlepool, which a recent *Sunday Times* article cited to illustrate the problem. Another Hartlepool fisherman, Phil Walsh, told the newspaper that he was allowed to go fishing, but was not allowed to land most of his catch. He said:

> "We're discarding perfectly good cod by the basketful…We're dumping plaice—we're allowed only 100 kg of those a month—and haddocks, they're getting dumped, too. The job's a mess. The way the quotas are, we're in a terrible situation. We're on the verge of bankruptcy."

I want to talk about inshore fisheries partly because of local interest and partly because the 75% of fishing boats under 10 metres long work inshore, but also because I think that the solution to some of our problems lies in such fisheries. We should bear it in mind that most inshore fishermen have a vested interest in sustainability. They want to go out day after day, and they want their sons and brothers to go out as well. They want a sustainable industry. The problem is the boats that do not care about sustainability: the Spanish trawlers that arrive once a year and take everything in sight. Whatever policies we favour should take account of the inshore industry.

My constituent has explained in great detail techniques that he has developed for targeted fishing—catching particular species—and very clever they are too. That is the way to reduce the number of discards. Because the time spent in nets is so short inshore, the number of dead discards is much lower.

Seasonality is another issue. Both the *Sunday Times* article and an earlier speaker said that the quotas should take account of the variation that takes place during the year. Specific quotas for the whole year would cause fishermen's incomes to fluctuate in a way that they could not possibly manage. There should also be more flexibility in regard to the cost of licences. Fishermen need to be able to make a return, and, as we know, many with small boats are finding it extremely difficult to make a living.

I support the plea from my hon. Friend the Member for Thirsk and Malton (Miss McIntosh). We certainly do not need quotas for lobsters, crab and shellfish. Those who put lobster pots out each day do not want to kill off the lobster communities in their areas: they have a clear interest in sustainability.

Localisation is vital. Fishermen in my area tell me that cod are abundant there, but they are simply not allowed to catch them. We all recognise the need to rebuild the cod stocks in the North sea, but that has now been achieved in many areas, and the quotas have not caught up.

I welcome some of the Minister's recent comments, particularly his comments on inshore fisheries. The solution seems to me to be more and more local management. Local areas know their own ecosystems and have an interest in preserving them as they have a long-term interest in there being viable fisheries for their children and future generations. I hope the Minister will take that into account in any policies he develops.

1.40 pm

Ian Paisley (North Antrim) (DUP): I welcome this timely debate. It is important that we set out some red lines before the December Council meeting so that the Minister is emboldened to make representations there

[Ian Paisley]

on behalf of our industry, which is very important to coastal towns and villages around the entire United Kingdom.

In October there was a significant displacement of the scallop fishing effort from the Irish sea on to the north Antrim coast because British scallop dredgers had exhausted their area VII effort pot of 2011. That effort pot was agreed in the late 1990s under what was called the western waters regime. Uptake of it has accelerated because a growing number of vessels have diversified into the scallop fishery to escape restrictions introduced in other fisheries, such as the long-term cod recovery plan and the western channel sole recovery plan. Also, the Department for Environment, Food and Rural Affairs is considering recommendations for a chain of marine-protected areas, which would have to be mirrored by the Minister's colleagues in the devolved Administrations. That could create further displacement.

It is easy to become confused by all these issues, and I do not envy the Minister's responsibilities in having to deal with what is a huge range of very complex and interconnected areas. Yet, as I heard when I was chairman of our agriculture Committee in Northern Ireland, and as I regularly hear from my colleagues in Parliament and fishermen across the country, there is concern about how the common fisheries policy operates, and people are saying, "Enough is enough."

The Minister's website carries a colourful photograph of a fishing boat he saw on his travels. On the vessel's side there is a picture of a Tasmanian devil, which is represented as a trawler skipper who is being questioned by a fisheries officer. He asks the skipper, "What are you landing today?" The skipper replies, "One box of whiting and six boxes of paperwork." *[Laughter.]* We laugh, but we know that our fishing fleet is hampered by red tape and paperwork, and that that paperwork comes from one place and one place only: Brussels. We need to recognise that enough is enough; this has got to stop. We hope the Minister will be emboldened to stand up against the weight of EU bureaucracy that has been created.

Miss McIntosh: I am carefully following the hon. Gentleman's remarks and I welcome much of what he says. Does he not accept that if we were to introduce a UK register, which I believe the Minister is minded to do, that would cut through a lot of the bureaucracy and we would find out who is fishing in UK waters?

Ian Paisley: That is an interesting proposal, and I shall be interested to hear the Minister's response; I see that he is writing a note as he wishes to respond to it.

Do we really believe that a solution to the problems of paperwork or discards will be delivered by a commissioner who, in my view, is led by media hype, and by a Commission that, together with the other EU institutions, clearly wishes to exert even more influence over member states?

Mr Nigel Dodds (Belfast North) (DUP): Given what has been said—and, no doubt, what will be said—in this debate, is it not clear that the common fisheries policy should be at the top of the list of policy areas to be repatriated from Europe?

Ian Paisley: My right hon. Friend's point hits home with great force given what has been going on recently in the eurozone—or the "euro crisis zone" as it should be called.

There will be support from across this Chamber if the Department goes to Brussels in December and says that the 25% cuts in total allowable catches in the Irish sea alone are no longer acceptable. I hope the Minister succeeds in pausing the implementation of any further cuts in the so-called cod recovery plan and days-at-sea provisions, and the reduction in the Irish sea prawn quota. I hope the Commission will listen to those representations, and that our Minister will be able to bring home from Europe a catch that means our fishermen will be able to fish successfully.

1.45 pm

Mr Charles Walker (Broxbourne) (Con): It will not have escaped your attention, Mr Deputy Speaker, that Broxbourne does not have a rich maritime history. However, I enjoy our seas very much. I have a 16-foot Orkney made by Gus Newman of StormCats on the island of Islay, and a beautiful boat it is, too. I am proud to give him a plug in the Chamber this afternoon.

The common fisheries policy has been an absolute disaster for this country. It has been a failure of politics. Commercial fishing in this country is now almost a minority pastime. In saying that, I do not intend any disrespect to those brave men and women who fish commercially, but the fact of the matter is that over the past 40 years our commercial fishing fleet has been laid low.

Too often, scientific advice about the state of our commercial fishery stocks has been ignored. I know there are concerns about the merits of certain scientific advice. However, legend has it that 100 years ago in the North sea it was possible to stand an axe up on the backs of herring, and, as we know, the North sea was stocked to the gunwales with cod, pollock and other commercial fish. That is no longer the case. Too often, we are removing fish from our oceans and seas before they have had a chance to spawn even once, and that is not sustainable.

In the last Parliament, I and the Minister, my hon. Friend the Member for Newbury (Richard Benyon), served together on numerous Joint Committees considering marine conservation zones. I know Members hold different views about the merits of marine conservation zones, but they do provide a safe place for fish to breed—for fish to restock not only the conservation zone itself, but the seas around those zones.

Fiona O'Donnell (East Lothian) (Lab): Does the hon. Gentleman therefore agree that today's written ministerial statement delaying announcements on marine conservation zones for a further six months creates even more uncertainty?

Mr Walker: I know that the Minister faces an enormously challenging job in reconciling the various interests of fishermen, conservationists and recreational fishermen, but, having served with him on those Committees for the best part of two years, I also know that his heart is in the right place. If anyone is capable of doing the right thing and making the right argument and putting the interests of this country first, it is my hon. Friend the Member for Newbury. I doubt anyone in this Chamber could meet a finer man. *[Interruption.]* Yes, or would wish to meet a finer man.

We must give our seas the opportunity to restock themselves by providing a mechanism for them to do so. If in 100 years or 50 years—nay, in 20 years—we are to continue to have a commercial fishing fleet, then sustainability is essential.

Besides owning a small Orkney fishing boat, I am also chairman of the all-party group on angling. There are many hundreds of thousands of recreational anglers, who spend many millions—indeed, hundreds of millions—of pounds each year in our seaside communities.

Mr Marcus Jones (Nuneaton) (Con): My hon. Friend is making a compelling argument, but does he not agree that recreational sea angling is far more than just a hobby? Rather, it is an industry that brings £1 billion into the UK economy, and it supports many of the 37,000 jobs that angling creates in this country. Does he therefore agree that our Ministers should work hard to try to protect that industry for the benefit of future generations?

Mr Walker: My hon. Friend makes a fine point. It is estimated that recreational sea fishers spend about £1 billion a year on fishing tackle and staying in the many wonderful seaside resorts and communities around our coastline. Their interests cannot be separated from this debate, because they did not create the problem but they are now living with it. So this debate goes beyond our commercial fishermen and stretches into almost every community in this country, because the hundreds of thousands of people who enjoy our coastline live in every community in this country.

So sustainability must be the key to this debate, but we do need a certain robustness in our dealings with the European Union. Forty years ago, we brought to the party the richest fishing grounds in the world—that is no exaggeration. As was pointed out by my hon. Friend the Member for North Ayrshire and Arran (Katy Clark)—I call her my hon. Friend—too many parts of our seas are now the equivalent of ocean deserts, and that is simply not acceptable. However, we do still have the opportunity to restore our once proud fishing industry to the position that it once occupied. We can do this—it is within our powers—but we must be robust in our dealings with the European Union. Things cannot continue as they have done for the past 40 years. We need to get our act together and we need to sort this problem out while we still can recover the position.

1.51 pm

Austin Mitchell (Great Grimsby) (Lab): I have always thought that the best possible way to reform the common fisheries policy was to come out altogether. Before the previous election that was Conservative party policy and I was sorry to see it changed, although it is still a policy to which the Government are attached. They wish to repatriate powers from Europe, and if ever there was a case for doing so it is in respect of fishing, because the blanket command-and-control policy operated from Brussels, with centrally decided political decisions, is not working, cannot be made to work and has to be ended. That means that we have to transfer power down to the regional advisory councils, which have been very successful, having been established only in 2002. They have been a major success but they need powers to allocate quotas, to impose conservation and technical measures, and to enforce those quotas. That means that they must have not only some fast-track powers of implementation, so that the whole thing does not get held up in the Brussels bottleneck, but the finance and staffing to do the job properly.

Therefore, we must, first, fulfil the rather vague aspiration in the Commission's own document of transferring powers down to the RACs to give them the control of management. They need to work with the producer organisations; they need to involve the industry in deciding and managing its own fate. That is best done through the producer organisations, by giving them power. They have been very good at managing their quotas in their own areas and that power needs to be extended. If we are to have transferable quotas, as the Commission specifies, there have to be transfers within the producer organisations, rather than sales to foreign owners, as happened so much in respect of Spanish vessels. There needs to be a transfer of quotas within the individual POs so that we keep quotas locally. The producer organisations have to play a part, with the industry taking the lead.

We have to point out to the Minister—I am sure that he is aware of this—that the last vestiges of this command-and-control economy are the Commission's proposals to cut the quotas, which were mentioned by the hon. Member for North Antrim (Ian Paisley). They are the last vestige of the ancien régime that the Commission is trying for, and they have to be imposed at the December Council. That is because the cuts in the quota that the Commission is proposing do not follow the advice of the International Council for the Exploration of the Sea. ICES says that there should be no increase in quota, but the Commission has translated that into a 25% reduction, which is ludicrous. So, too, is the other proposal, for which ICES does not provide an analytical assessment of what has to be done, that there should be a 15% cut. If that is passed by the December Council and comes into the process of co-determination with the European Parliament, we could be stuck with that decision until 2014, which would be ludicrous. It would be damaging to the industry and it would leave us with a huge cut in domestic fleets.

The Scottish Fishermen's Federation—the hon. Member for North Antrim has just concurred with this point—calculates that if the proposed cuts are enforced on the white fish and the prawn fleets in Scotland, they will be able to fish for only four days a fortnight. They will not be able to make a profit and they will be forced to lay up. This will decimate our fleet for a goal that is mistaken and has no scientific basis, so it is vital that the Minister overturns those cuts and opposes further cuts as part of the cod recovery plans. Cuts in quota will mean more discards.

I have two other points to make. One is that we have to accept that all fish should be landed, not discarded. The fishermen can be paid a management fee—the cost of landing and marketing, and no more—but that will allow us to record all the catches actually made. Secondly, we need to end the system of buying quota from poor African countries, which is a kind of fishing imperialism, where huge Spanish vessels are going in, damaging the

[Austin Mitchell]

local industry, crushing the local boats, in many cases, and stopping the recovery. There can be management arrangements to assist people in managing their stocks and to help them, but there should be no buying of quota, at our expense, to crush the local industry. The times are better than how they have been portrayed and the stocks are recovering, but now is the time to take a firm stand and get the powers transferred back down to the regional advisory councils to save our industry.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): I am going to reduce the time limit to four minutes. I want to get everybody in, so I ask for brevity, where possible, and fewer interventions. Where people intervene and then expect to speak, I am going to drop them down the list. Please, let us see if we can get everybody in.

1.56 pm

Zac Goldsmith (Richmond Park) (Con): I strongly support the motion and I congratulate our fisheries Minister on his continued and dogged determination to reform the common fisheries policy—it has not gone unnoticed by everyone who cares about this issue.

I never miss an opportunity to be rude about the CFP, but I am going to restrict my comments to one point. On 12 May, this House unanimously passed a motion calling, among other things, on the Government to restore our control over the 12 territorial miles that surround this country. That was a key part of the motion, but since the EU Commission published its proposals it has curiously slipped off the agenda and out of the debate. I asked the Minister about this matter in a recent letter and his response implied that I, and by extension the House, wanted to achieve this control by removing the historical rights of other countries. I want to make it very clear that that is not at all what I voted for and it is not what the House voted for. Those rights should absolutely be retained, but they must also come with responsibility.

The responsibility on other countries is to adhere to the rules that we set for those 12 miles. So whatever rules we apply to our fishermen must be applied to others. I repeat that we have to avoid the situation, which has been well documented, where we impose laws to protect dolphins and porpoises, and restrict the trawling for bass. Our fisherman, naturally, had to adhere to the rules imposed by our Government, but within days Spanish and French fleets were continuing with the same practices and the effect on porpoises and dolphins was recorded and was depressing.

We have a one-off opportunity, given the huge public demand for reform on an issue that does not normally capture the public imagination, to fight for real change. I simply ask the Minister to remember that the unanimous vote—the unanimous passing of the very radical motion on 12 May—gives him a mandate to be tougher than any of his predecessors have been able to be. So I urge him to take that message with him to Europe and to give the people there a very hard time, as he will almost certainly have to do so.

1.58 pm

Mrs Mary Glindon (North Tyneside) (Lab): I should like to put forward briefly the perspective of our local fishing industry. I was born in the former county borough of Tynemouth, which is now part of the Tynemouth and North Tyneside constituencies. The motto on the coat of arms of the former county borough was,

> "Our harvest is from the deep",

and the coat of arms proudly displayed the figures of a coal miner and a fisherman. Sadly, we no longer have any coal mines and our fishing fleet is very much diminished, but this diminished industry is still important to the local economy and local culture.

The recently formed Northumberland inshore fisheries and conservation authority, or IFCA, has put forward its views on the reform of the common fisheries policy to the Department for Environment, Food and Rural Affairs, after extensive consultation with officers from the Marine Management Organisation and representatives from the commercial and recreational fisheries and the marine science and councillor sectors.

IFCA's vision is to

> "lead, champion and manage a sustainable marine environment and inshore fisheries, by successfully securing the right balance between social, environmental and economic benefits to ensure healthy seas, sustainable fisheries and a viable industry".

That vision has parallels with the aims of the EU Commission to reform the common fisheries policy. But Northumberland's IFCA knows from local experience that achieving the vision and reform of the common fisheries policy is subject to practical limitations and it is clear that local factors need to be taken into account.

The area covered by the Northumberland IFCA stretches along the north-east coast from the Scottish borders to, and including, the Tyne. It is a mixed fisheries area, so the aim of achieving a maximum sustainable yield by 2015 would be unrealistic in that area. A more flexible date for that target would therefore be of great help to our fishing industry. Northumberland IFCA also feels that achieving maximum sustainable yield will be crucial to determining multi-annual plans, which, with an ambitious target date of 2015, could create the danger of unnecessary fisheries closures. The emphasis should be on local measures that will ensure sustainable and viable fisheries, such as the lobster V-notching permit scheme and pot limitation, with buy-in from the local industry, which currently operate in Northumberland. The idea of regionalisation cannot be stressed strongly enough, and not only in relation to large areas such as the North sea. Within regions, the specific needs of districts such as the IFCA areas must be taken into account to strike the right balance and involve stakeholders.

I am pleased that the Northumberland IFCA is continuing the interest shown by the former sea fisheries committee in the EU's commitment to reform the discards policy. However, our fishermen feel that the Government must stress to the Commission that there must be investment in appropriate infrastructure to enable local fleets to dispose of unwanted catch. Technical advances must also be taken into account. The Government should play a role in consumer education to ensure that extra catches that are landed can be marketed more effectively.

Mark Lazarowicz: My hon. Friend's point about consumer education is very important, because this issue is relevant to others as well as to fishing communities. I think that the number of fishermen left in my constituency can be counted on the fingers of one hand, but this issue concerns the wider community, and that is precisely what is behind this idea—the motivation of communities as a whole to stop the scandal of fish discards.

Mrs Glindon: Yes; the Fish Fight campaign has demonstrated that nationally.

Consumer education would, one hopes, help with marketing the catch that is currently discarded. Ultimately, however, our local fishermen believe that the prospect of a complete end to discards has not yet been set out in sufficient detail to be a viable prospect, and that further debate with the industry is needed.

Livelihoods have been diminished in our fisheries, with resulting economic and social downturns across communities. As the Government are committed to localism, that should be extended to DEFRA's approach to the common fisheries policy on behalf of our fishing communities. I firmly believe that our prosperity does not depend simply on creating new industries and businesses but on sustaining those that already exist, which are trying hard to survive. It is in the hands of the Government to negotiate a fair deal for the reform of the common fisheries policy, to ensure the future of our fishing communities in a way that meets the vision of IFCA.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order.

2.5 pm

Andrew George (St Ives) (LD): First, I congratulate the hon. Member for Aberdeen North (Mr Doran) and other hon. Members on securing the debate. I strongly support the motion, which highlights the key points in the broad-brush approach of responding to the failure of the common fisheries policy, addressing in particular the problem of centralised management, the need for a more regionally controlled method of eliminating the problem of discarded fish and the need for a multi-annual basis for the future management of the common fisheries policy. Those who, like the hon. Member for Aberdeen North and I, have engaged in these debates over many years will reflect on the degree of consensus that has emerged in the past decade. That will not only strengthen the position but will provide a greater sense of purpose and direction for the Minister. I agree with the hon. Member for Broxbourne (Mr Walker) that not only is the Minister up to the task, but he will have the full support of the House in his work.

I am disappointed that we will not have a further opportunity to discuss this issue, other than today's inevitably truncated debate. I hope therefore that the Minister will make himself available to the all-party parliamentary group and other groups around the House so that we can discuss the impact of the European Commission's proposals regarding the future of total allowable catches and quotas around the UK coast.

I want briefly to address two issues, the first of which concerns the Government's consultation on domestic fisheries and management reform for the under 10 metre sector, which clearly needs to be tidied up and regularised. I have taken a delegation from my constituency to see the Minister about this and he knows that there is significant alarm and concern about the impact that the reforms might have on the under 10 metre sector, not least in relation to the reference period that has been used by the Government for the possible future allocation of quota in forthcoming years.

In the Government's response to the consultation, which came out a fortnight ago, the Minister announced the intention to try alternative management approaches before introducing far-reaching changes to the current system. The intention is to launch three pilot schemes next year. Having discussed this with fishermen around the coast of my constituency, I know that there is enthusiasm for putting forward the west of Cornwall and the Isles of Scilly as a potential area in which a pilot scheme might be advanced. That could be a means by which the area has some influence over the future development of that policy.

The second issue I want to address is the need to make sure not only that scientists work with fishermen but that fishermen work with scientists. My constituent Shaun Edwards and his crew saved 47 passengers in heavy seas from the dismantled Fryderyk Chopin vessel 100 miles south-west of the Isles of Scilly on 28 October last year. He spent more than 60 hours taking them back to harbour at Falmouth, but sadly lost his job as a result of doing so. He was working for the Centre for Environment, Fisheries and Aquaculture Science as an accomplice fisherman—I think the Minister knows about this case—and that is a great loss to science, as he was assisting CEFAS in its work.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order.

2.8 pm

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I shall try to keep my remarks brief. I want to make two points about the west coast of Scotland: about mesh sizes in the Minch for prawns and about catch composition, particularly for haddock. There seems to be an abundance of haddock on the west coast of the Hebrides inside the area known as the French line, which is about 100 fathoms or 200 metres deep, and it seems that the haddock are migrating into the Minch and around the prawn fishery. It should be good news that there is an abundance of haddock, but that abundance is becoming very bad news indeed, because EU catch composition rules mean that no more than 30% of catches can consist of haddock, cod or whiting. If a trip catches quite a lot of haddock, what should have been good news is not good news if there are not enough prawns to get that haddock landed, because it is not allowed to make up more than 30% of the catch. In that case, only a fraction of the haddock caught can be landed.

Haddock is abundant and tasty, and many people in Scotland prefer it to cod, but if they cannot get haddock they will eat cod, and that makes the situation worse. The basis of the problem is the cod recovery plan. Surely we should take haddock out of the catch composition rules, particularly for the west coast of Scotland, where many fishermen's leaders and merchants tell me there is an abundance of haddock. That underlines the silliness, folly and lunacy of the common fisheries policy. The cod recovery plan prevents haddock from being landed, which will probably mean that more cod is eaten. That is almost a comedy, but, as we all know, it quickly ends up in the usual common fisheries policy tragedy.

[Mr Angus Brendan MacNeil]

Fishermen's leaders on the west coast have expressed concern to me about a potential increase in mesh size in the Minch from 80 mm to 95 mm for prawns, especially as the size increased from 70 mm to 80 mm two years ago. The change would, of course, have catch implications for the smaller community boats, on which many local islanders work. The change should not be made now, just when Scottish Government scientists are undertaking technical trials, and in particular it should not apply to boats with an engine of under 300 hp, due to the disproportionate cost of gear change for them.

The prawn area in the west coast fishery seems to be in balance at the moment; people seem reasonably happy, although they are worried about some of the measures on the horizon, such as the mesh size proposals. However, they feel that there is a major problem with haddock. Ironically, the problem is caused not by a lack of haddock but by an abundance of it. I would be particularly grateful to the Minister if he looked at ways of removing haddock from the catch composition rules on the west coast.

I have participated in many debates on the common fisheries policy and fishing, and I feel that not a blind bit of notice is ever taken of them in Europe. Earlier this year I was in the Faroe Islands for the "Seas the Future" conference with people from Iceland, Norway, the Faroe Islands, Denmark and Scotland. At the end, officials from the EU talked about the CFP. They asked why I was complaining about the CFP in Tórshavn in the Faroe Islands; would I not come to talk to them in Brussels? It occurred to me that surely there are places besides this Parliament—democratically elected places—where the common fisheries policy is discussed, but are we talking into a vacuum? Surely we should have people in this Chamber listening, at least, to the complaints that Members of all parties express about the common fisheries policy. What actually happens is that one person leaves this Chamber, meets people from other chambers, and ends up having to horse-trade on the common fisheries policy. Ultimately, as we have seen over the years, fishing has been the loser.

2.12 pm

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): Thank you for inviting me to speak, Mr Deputy Speaker. I congratulate hon. Friends from across the political divide on this truly excellent motion. My constituency hosts one of the principal fishing ports in the south-west. Plymouth is a global leader in marine science and engineering research. Our fishing industry is very much part of that, and part of our maritime heritage. I am delighted that the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury (Richard Benyon), is working so hard to protect the industry's interests in Europe.

Last month I received an extensive briefing from the Plymouth marine laboratory. People there explained to me how plankton—the staple diet of our fish—is being lost from our seas. When my hon. Friend is next in the south-west, I would be delighted if he came with me to meet people at that laboratory, and to see that excellent research facility.

My local commercial fishermen face real challenges. They are concerned about the marine protected areas, and the quality of evidence being offered to my hon. Friend by his statutory advisers at Natural England and the Marine Management Organisation. Two weeks ago, in an Adjournment debate secured by my hon. Friend the Member for South East Cornwall (Sheryll Murray), I raised my concerns about the lack of transparency in the evidence-gathering process. All MPAs should be based on sound evidence, and the research should be of the highest quality.

I thank the Minister for commissioning from Dr Graham-Bryce an independent review of the process used to gather the evidence. Dr Graham-Bryce confirmed in his July report that

"the process used…fell short of best practice in many respects."

Will my hon. Friend tell the House what progress the Department has made in ensuring transparent, robust processes? Will he confirm that any effects of displacement from MPAs will be covered fully, and that the work will be conducted by professional personnel?

Another incredibly important issue is scallop fishing. The scallop-fishing industry is an important export market that brings much-needed revenue and jobs to the Plymouth travel-to-work area. I am told that it is worth about £20 million. Recently, for the first time, western waters area VII was closed to UK vessels for scallop fishing. The area has recently been reopened, but problems and challenges remain. I hear that the UK has been at risk of reaching the kilowatt-days limit since 2009, which is before my hon. Friend took up his post. Will he explain why local fishermen were only recently alerted to that? Will we make sure that they are looked after much better, and have much more notice, in future? They can certainly be flexible, but they cannot quite turn on a sixpence immediately.

I have never missed an opportunity to call on my hon. Friend to press for the UK's fishing waters to come back under the UK's control. I urge him to carry on pressing for that, and for reform of the EU fisheries policy. That is the only way to make sure that we conserve and protect our fishing stocks and our industry.

2.16 pm

Ms Margaret Ritchie (South Down) (SDLP): For my constituents in the fishing ports of Ardglass and Kilkeel, the reform of the common fisheries policy is a somewhat distant process. That is not to say that they do not recognise the importance of the subject, but in what has become for many a struggle to survive, the common fisheries policy and the accompanying rules and regulations are matters for policy development in Brussels. What is vital to those in the industry, their families and the wider community in both fishing towns are issues to do with quota allocations, limits on days at sea and fuel bills. Those are the immediate priority, and they require resolution.

We have heard from the Commission that decisions made now should fit in with the spirit of what the new common fisheries policy will deliver. Given the current proposals for fishing opportunities in 2012, it is easy to conclude that that does not bode well for the future. The Commission's failure to address the flaws in the long-term cod recovery plan, and the intention of imposing more of the failed medicine prescribed in that plan, which involves ill-thought-out discard policies and an inability to recognise the significant contributions made by many of my constituents to ensuring sustainable fisheries in the Irish sea, do not appear to reflect a Commission willing to surrender its centralised decision-making powers and make provision for the devolution or transfer of power to the regions.

On the other hand, the European Commission argues that it is precisely its light touch with regard to the detail of the Green Paper that signals its intention to allow the regions to decide their own management regime, within the broad framework of rules in the new common fisheries policy. In that context, who are we to believe? Is it the individuals, including some in the Commission, who offer up European Union treaties as the reason why any meaningful decentralisation is illegal? Or it is those who yearn to be regarded as the voices of reason within the Commission, and ask for our trust? For me, so far the evidence suggests that it is the former, although I want it to be the latter. I welcome the fact that the Minister is to respond to the debate, and I suggest to him that it would be helpful for the House to learn the Government's legal opinion regarding the degree of decentralisation of the common fisheries policy that is possible after the Lisbon treaty.

I say to the House, and the Minister in particular, that for my constituents involved in the fishing industry—onshore and offshore—in Ardglass and Kilkeel in South Down, the industry is vital to their livelihood and their families, and to the wider community. It is a multi-million-pound industry that has to survive. I ask the Minister, in the negotiations, to do all he can to ensure that the fishing industry in the Irish sea is sustained for this generation—and, hopefully, for future generations.

2.19 pm

Neil Parish (Tiverton and Honiton) (Con): I congratulate hon. Members from all parts of the House who helped to secure this debate, especially my hon. Friend the Member for South East Cornwall (Sheryll Murray), who takes a particular interest in fishing.

May I tell the Minister to be careful of the European Commission bearing gifts? He must look that gift horse in the mouth, as he will find that the proposals on devolving powers to regional advisory councils and others are short on detail. When the Select Committee on Environment, Food and Rural Affairs took evidence on this issue, the producer organisations for the south-west were convinced that there were no real powers coming from Brussels, and that things were going the other way. I know that the Minister fights hard for British interests, and I commend him for doing so, but we have to introduce much more local control over fishing so that the fishing industry and people going out to fish have the ownership of conservation measures and are keen to see them work. At the moment that is done far away in Brussels, and if fish are saved in one member state the fishermen there will be convinced that someone else from another member state will come along and take them away. However, there is no proposal to devolve those powers at present.

Sarah Newton (Truro and Falmouth) (Con): My hon. Friend is making a good point. Does he agree that it is important to include in the balance the needs of recreational fishermen? In my constituency, for generations, people, including me, have enjoyed going out with their fathers and their grandfathers to catch fish to eat at home?

Neil Parish: My hon. Friend makes a good point. A year or two ago I went to Falmouth, where we were trying to secure more help for sea anglers, who play an important part in the fishing industry, not only by catching fish but by bringing people down to Falmouth, the west country and other parts of the United Kingdom, where they stay in hotels and so on. The value of a fish caught by an angler can be a great deal more than that of a fish caught by a professional fisherman. I know that the Minister takes that dimension very seriously.

I want to discuss the change in fishing gear and the 50:50 process in Devon, where discards have been reduced by 50%, which is good news. Until we ban discards and land everything that we catch, how do we know what there is in the seas? Up to 2 million tonnes of fish throughout the European Union are discarded every year, which is a huge waste of resources, and means that we never quite know what the stocks are.

I welcome the Commission's proposal on landing fish that is not fit for human consumption, suggesting that it should be made into fishmeal to be fed to farmed fish. However, I question its proposal on the landing of fresh fish, which would be kept and distributed to poor people throughout Europe—not that I am against poor people throughout Europe and the UK having fish, but the idea that the Commission will organise that in every port in the EU, especially in the UK, fills me with horror. Some of those proposals need to be considered carefully.

Of course we should ban discards—I know that the Minister has done a great deal of work on this, as have celebrity chefs—but about 70% of the fish landed in Newlyn harbour goes straight in a lorry to Spain, because we do not eat that type of fish. The more fish we can eat in this country, the more we can keep the fish that we land.

We all feel strongly about the issue of the under 10 metre fleet, and the Minister is looking at ways of getting a better share for that fleet, which is essential to the south-west community, including Devon. It is key that those family-run boats have more fish to catch because, in the end, there is a limited amount of fish in the sea, and we must make sure that there are options for that fleet. I look forward to what the Minister can offer us, because in the end, the sea and fish resources have to be shared out between all the fishermen.

2.24 pm

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I do not think that we could make this debate more timely if we tried. Negotiations to reform the CFP are under way, and it is vital that the voices of the fishing communities that we represent are heard in this debate.

The challenges that we face need to be seen in the context of a common fisheries policy that has systematically damaged our marine ecosystem for 30 years. It has eroded the livelihoods of fishing communities and fishermen, and it has been applied inconsistently in different EU states. There is a growing consensus, even in the House, that a decentralised approach offers a better way forward than the one-size-fits-nobody approach

[Dr Eilidh Whiteford]

that we have at the moment, as it would allow coastal states to develop workable solutions and, crucially, it would allow the expertise of fishing industry leaders and other local stakeholders to come to the fore.

In my view the reform process will stand or fall on the strength of the regionalisation proposals, but it is not clear how regionalisation will work in practice, given the treaty constraints raised by the hon. Member for South Down (Ms Ritchie). I hope that the Minister will spell out the mechanisms and processes that are under consideration and how they might be made fit for purpose, because there is a great deal at stake for our fishing communities.

There is a great deal to be learned from the experience of regional advisory councils on the value of long-term planning and the need to bring fishing industry representatives into the decision-making process. There is a great deal, too, that we can learn from the efforts of our fishermen in recent years to put the industry on an environmentally sustainable footing. The Scottish fleet has been at the forefront of efforts to push alternatives to discarding, but when we discuss discards it is crucial to remember that they are a direct consequence of the impositions put on fishermen by the failed CFP. No one gains from discards.

In that respect, the catch quota pilot schemes in Scotland and England have shown real potential. They were trialled to see how good they were at cutting discards and improving the economic viability of vessels, and they have been extremely effective. So far, however, only a relatively small number of vessels have been able to benefit from them. More boats could benefit, and I urge the Minister to prioritise the issue with our international partners, particularly the Norwegians and the European Commission, and drive it forward so that we can expand the catch quota system and build on the success of the model across the EU.

The Scottish fleet has been more successful than any other European fleet in ending discards. Catch quotas are only one factor in that success: the conservation credit scheme, using selective gear and real-time closures, is the thing that has really made a difference by improving the sustainability of our fisheries, as has longer-term planning and sound science. Too often, science has been used to justify policy making of dubious quality, and it has sometimes been used as a blunt instrument. It has been made to say what policy makers want it to say. There is now widespread recognition that good science and sound scientific data are beneficial to everyone, but if we want to build trust in scientific data we have to use them consistently. When the scientific data show that stocks are healthy and fish are plentiful, we need commensurate increases in total allowable catches. The forthcoming Council meeting could not be more timely, as we should not have more quota cuts if the science says that that is not necessary.

Consistency is required. I have concerns about transferable fishing concessions, as the Commission is now calling them.

Mr MacNeil *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I urge the hon. Gentleman to think before intervening. He has already made a speech, and we are running out of time. More Members have indicated that they wish to speak. It is up to the Member in charge but, to be honest, I would be disappointed if the hon. Gentleman intervened.

Dr Whiteford: I shall move on, Mr Hoyle.

Exaggerated claims have been made about the benefits of transferable quota schemes. Some are more successful than others. The proponents tend to ignore the unintended consequences, especially for fishing communities—a point that was made earlier—but the key factor is improved governance. I therefore urge the Minister to look carefully at that. I welcomed his comments last week on this, and I urge him to—

Mr Deputy Speaker: Order

Several hon. Members *rose—*

Mr Deputy Speaker: Order. We are struggling for time, and if Members shrink their speeches so that everyone who wishes to speak can do so, I shall be very happy.

2.28 pm

Sheryll Murray (South East Cornwall) (Con): I have cut my speech from about eight minutes to three or four, but I cannot fail to pay tribute to the Royal National Lifeboat Institution, the coastguard and the Fishermen's Mission, as well as all the families of fishermen who have been lost or injured at sea this year.

I am on record saying that my ultimate goal for fisheries is to restore national control, but that debate is for another time, and for another Minister. Turning to the motion that we are debating, I shall deal first with regional management. There is no scope in the treaty to achieve the transfer of decision making to regional level. The National Federation of Fishermen's Organisations has suggested that member states co-operating with regional advisory councils at sea area level to prepare multi-annual management plans could result in de facto regional management. Will the Minister please explore these alternative routes with the NFFO?

On the 12-mile limit, there is a case for ending the 40-year-old access rights. We see from the regulations that France has access to 15 areas within our territorial waters, Ireland to two areas, Germany to six, the Netherlands to three and Belgium to five for a variety of species, whereas the UK gains access to two areas within German waters and one area within French waters. This is not fair. I have even heard that some Belgian vessels working in the Bristol channel have changed from beam trawling to demersal twin rigging to work inside the 12-mile limit. Some of these could be Netherlands- owned Belgian-registered flag of convenience vessels. Exclusive access to the 12-mile limit could help the under-10 metre fleet.

I welcome the move to ban discards, but that is not as simple as it may seem. May I have an assurance from the Minister that he will work with the industry so that a proper solution can be found? Banning discards must not destabilise the market.

I shall briefly mention transferable fishing concessions. The UK, the Netherlands and Denmark already operate a similar system, which has been shown to control effort, but this was always preceded by decommissioning. Does the Minister agree that for a system of transferrable fishing concessions to work, there needs to be substantial decommissioning beforehand?

This is the only chance that we have to raise the 2012 quotas. I welcome the move by the Commission to abandon the 25% compulsory reduction in stock, but I must point out that this could exacerbate the annual horse trading that takes place.

Let me make one last point about the waters off my own constituency. Any reduction in cod effort in the Irish sea, the west of Scotland or the North sea could serve to displace effort into area VII e and g, and disadvantage Cornish fishermen.

Finally, in 1991 I was widely quoted as telling a previous fisheries Minister that British fishermen were brave, honourable, hard-working men who deserve respect. My words are as true today as they were when they were first spoken. I am pleased that we have a Minister who has already shown that he shares my sentiments. I wish him well in the negotiations, and I hope the whole House will support the motion today and give him our full backing for the important and difficult task that he will be engaged in over the coming months and years.

2.32 pm

Jim Shannon (Strangford) (DUP): One good thing that the CFP managed to do was to unite all the fishermen, fishing bodies and elected representatives in opposition to a policy that has reduced the ability to make a living on the sea and continues to squeeze life out of the fishing sector. There will be no mourning its loss by anyone I know or have come into contact with.

Much has been made of the issue of decentralising or regionalising fisheries management, which I agree would be a positive step forward. The hon. Member for Great Grimsby (Austin Mitchell) and others have mentioned that, but there are those in the European Commission who suggest that post-Lisbon it is illegal to decentralise any meaningful responsibilities to the regions. Therefore, although I fully support the motion and join in the call for the Government to ensure that particular provision is made for regional management, I too would like to hear what the Minister believes is legally possible and how we can achieve that collectively. What discussions are being held with the legal experts to ensure that what is tantalising uncertainty will become cold, hard reality?

Last Saturday I held an advice surgery in Portavogie. The fishermen come to meet me with their list of things that they want me to do every month. They are concerned about the increase in bureaucracy, the changes in the net mesh size, more paperwork, more cost, more policing, more monitoring and less fish catch. All those are key issues for the fishing industry.

Northern Ireland's fishing industry has instituted measures that have been introduced voluntarily which have cut discards of haddock and whiting by over 60%, yet go unrecognised by the European Commission—nobody in the European Commission seems to have any idea what is going on. As with most other good points concerning the fishermen, if the scientists have not marked it in their book, it could not possibly be happening. If the 25% cuts go ahead, the white fish sector in Northern Ireland is finished for ever. I know the Minister will be batting for us in the meetings in December.

Locally, to address the issue of discards, our fisherman have had to incorporate various EU-legislated panels in their nets, which did little, if anything, for discard reduction, before they could deploy the gear designed specifically for use in the Irish sea. So it was true—the net designed by our fishermen, which would have reduced discards, was effectively outlawed by Europe. That concerns me.

On 10 November there was a meeting to impose emergency technical conservation measures in western waters. I am told that national Administrations will have little input into the process, which is politically driven by the EU's Greek Fisheries Commissioner. Let us be honest: if we pair the word "Greek" with the words "Fisheries Commissioner", we can understand why fishermen's knees are knocking.

The industry, like fisheries managers, has as a goal the reduction of unwanted catches to a minimum, but the fishing industry will not be made greener by driving it into the red. We must be honest about what we are doing. In a little over four weeks the Minister will be leading the UK team at the EU's annual December Fisheries Council. I urge him to support the industry at home.

Finally, the three-point plan for the Irish sea is clear. There should be a pause in further implementation of the long-term cod recovery plan. We should secure a rollover on the area VII nephrop TAC, which has been successfully managed for more than 40 years and remains stable, and we should seek an increase in the Irish sea herring quota, a stock which is at its largest for 18 years. It is time our fishermen saw some reward for the sacrifices they have made in the face of the EU's ever-moving goalposts. I support the motion and urge the Minister to do his best for the fishermen in Northern Ireland, as I know he will.

2.36 pm

Peter Aldous (Waveney) (Con): I had intended to talk about discards and the local management of fisheries, but as the points that I would have raised have been well made by other Members, I shall move quickly to my final point—securing a fair deal for the under-10s.

At present the under-10 metre fleet is treated poorly—as a second-class citizen comprising 85% of the national fleet, but with access to only 4% of the UK quota. The fleet needs to be enfranchised and we must move away from the current system of quota control that lacks flexibility and transparency. The Minister has commendably put forward proposals for the future management of English fisheries. He is right to attempt to do what most of his predecessors have put in the "too difficult to tackle" category. I commend him for introducing the pilot scheme that will operate from January.

However, there is a real concern that a rights-based method of control is not in the best interests of the under-10s. The problem is that there is no easily defined starting reference point on which to base a fair allocation for them. There is also the worry that globally there is evidence that rights-based systems do not work and quickly result in the loss of quota for the inshore sector. The evidence from Denmark is contradictory at best.

I commend Jerry Percy, now fishing in Wales but originally from Lowestoft in my constituency, for responding constructively to the consultation and coming forward

[Peter Aldous]

with NUTFA's—the New Under Tens Fishermen's Association—proposals, which provide a way forward for the under-10s. The phrase, "If you can't beat them, join them" springs to mind, but he is right to propose a dedicated inshore producer organisation.

I conclude by saying that there are three considerations on which the future management of domestic fisheries should be built. First, there must be recognition that quota is public property. Secondly, we must replace the current system whereby no one appears to know who holds quota with a transparent system—a register of holdings. Finally, quota should be only in the hands of working fishermen.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I need to bring the Minister in at 2.50 pm. I call Kelvin Hopkins.

2.38 pm

Kelvin Hopkins (Luton North) (Lab): I shall be brief. Hon. Members will have seen the Library's Parliamentary Office of Science and Technology note 357, citing a European Commission report that stated that 88% of European fish stocks were being fished beyond sustainable levels and 30% of stocks were close to collapse. I have been quoted before as saying that this is an unmitigated disaster and these figures prove it. The only effective solution is to seek the abolition of the common fisheries policy and return fisheries to member states. All talk of reform at this stage is mere tinkering at the margins.

I welcome the motion, but it does not go far enough. The UK already has opt-outs in a number of EU areas, such as the euro and Schengen, so surely we could negotiate a simple opt-out for the CFP. If we cannot, we should tell our European partners that we will withdraw unilaterally from it in, say, three years' time. We have much more to gain than they have to lose, because our fisheries are among the largest in the EU and the restoration of a 200-mile limit, or a 50% limit where there are adjacent countries, would solve the problems for us, certainly for our fishermen and for our fish stocks.

I had wanted to say much more but realise that time is short. I urge the Minister to mention in his negotiations that Members of this House are calling for the abolition of the common fisheries policy and will do so until we get it.

2.40 pm

Fiona O'Donnell (East Lothian) (Lab): I begin by congratulating my hon. Friend the Member for Aberdeen North (Mr Doran) on securing the debate and all Members on both sides of the House who have spoken. I realise that many did not speak for as long as they had hoped to, but they all did the right thing by speaking up for their fishing communities. I pay particular tribute to the hon. Member for South East Cornwall (Sheryll Murray). Anyone who knows her even a little will not have been surprised by the courage and passion she has shown in the debate.

There is clearly significant cross-party support for a debate on fisheries before the EU Council meeting in December, and I welcome the opportunity to speak about it today. It is widely accepted that the current CFP has failed to achieve its objective of ensuring that the fishing industry is environmentally sustainable and economically viable for the benefit of society now and for future generations, as the hon. Member for South Down (Ms Ritchie) said.

My hon. Friend the Member for North Ayrshire and Arran (Katy Clark) spoke about marine conservation zones and referred to a conservation crisis. I hope that the Minister will apologise to the House and to all the stakeholders who took part in the consultations to identify marine conservation zones for yet another target that DEFRA has not been met. It really is not good enough. On the day when we are appealing to stakeholders to take part and contribute—*[Interruption.]* The Minister asks me whether I really want to go there. It would perhaps have been easier to go there if the scientific advice that he claims supports the decision had been available at the time. I hope that he will at least give us an explanation when he comes to the Dispatch Box. I also thank the Environment, Food and Rural Affairs Committee for its contribution to the debate and look forward to its report.

Sheryll Murray: Does the hon. Lady not appreciate that getting marine conservation zones right for our fishing industry is far more important than meeting artificially set deadlines?

Fiona O'Donnell: Getting it right also requires political leadership, which has been sadly lacking from the Minister on this matter. What we have instead is more uncertainty and delay for the fishing sector, which is not welcome.

Food security has not featured heavily in the debate, so I want to take the opportunity to mention it. In Europe we are eating more fish than ever before. We have hit an historic peak and the projections for the next 30 years show that consumption will continue to rise. With the EU already importing two thirds of its fish and growing demand in big markets such as the US and China, the reforms must address the issue. I hope that the Minister will address that when he comes to the Dispatch Box.

Reform is long overdue, as all Members have said—it is one concern that unites the House. That is the hope, but as ever the devil will be in the detail and in how strongly the Government argue and negotiate for UK fisheries and use regionalisation to respond to the needs of fishing communities. We support the reform process and stress the need for a strong voice for the interests of UK fisheries and a clear move away from the top-down management and control that pervades the current CFP.

I have no hesitation in acknowledging the hard work and commitment of the Minister in engaging with the devolved Governments and with stakeholders. It is essential that the UK has the strongest possible voice in these negotiations. I read yesterday that the Secretary of State is bending over backwards in representing the interests of the UK in reform of the common agricultural policy, but where is she on CFP reform? Can the Minister assure the House that the Secretary of State is fully engaged and will perform similar political contortions to get the best possible deal for the UK on fisheries reform? It would also be helpful if he put more flesh on the bones of his negotiating position. Four months on from the publication of the Commission's proposals, does he have a clear view of what he wants to come out of CFP reform, which of the proposals he agrees with, and which he wants to strengthen? I am aware that the impact assessment closed only last Thursday, but can he update us on its progress? Any information would be welcome.

I would like to turn to some of the key areas of the reforms set out by the Commission. Regionalisation is a key element of the new CFP, as the hon. Member for Tiverton and Honiton (Neil Parish) and my hon. Friend the Member for Great Grimsby (Austin Mitchell) mentioned. The current top-down approach has failed to achieve its objectives. Radical reform is necessary. The new CFP must ensure that fisheries management is dealt with at the most appropriate level. Without genuine decentralisation of fisheries management, it is difficult to imagine that sustainable management will be achieved. To that end, I welcome the proposals for multi-annual plans devised by member states, which the Commission intends as a central tool for ensuring that fish stocks are kept at sustainable levels and achieve maximum sustainable yields. It is vital that the Minister works closely with stakeholders in that process.

The collaborative approach will be particularly important in the plans to eliminate discards under the basic regulation within the multi-annual plans. In some EU fisheries 60% of catches are discarded. Discarding is a symptom of the poor management and practice of the current CFP. Much of the focus of the current proposals is on landing all catches of the main commercial species, but there is a real danger that discards overboard will become discards ashore.

Mr John Redwood (Wokingham) (Con): Given that all previous Governments have not wanted that policy but failed to get rid of it, does the shadow Minister have any idea how the Minister will be able to do so?

Fiona O'Donnell: I am sure that the Minister will be glad to answer that question, but I will say that what we are seeing now is a phased-in approach on three levels, which gives us a real opportunity. I share concerns that Members have voiced in the debate on how we can achieve that, but that is not an excuse for a lack of political leadership in achieving the aim.

The Commission's proposals place a legal duty on the UK to implement a tradeable system of quotas, known as transferrable fishing concessions, which some Members have touched on. They have raised concerns in other debates and argued that we should not end up with a situation in which a vast share of our concessions is in the hands of a few and multinational organisations can buy up the rights to our national resource. There is a proposal that member states should maintain an accurate register of holders of transferrable fishing concessions. Does the Minister support and welcome those plans for transparency, and what preparatory plans and assessments have been undertaken by his Department? Has he come to a view on the transfer of concessions to other member states?

My hon. Friend the Member for North Tyneside (Mrs Glindon) spoke about reaching maximum sustainable yield, and like her I have concerns about how we achieve that, given the nature of our mixed fisheries. The scale of the challenge must not again be an excuse for a lack of political will from the Government in driving forward to achieve maximum sustainable yields wherever possible by 2015. Ensuring that decisions are based on the best possible data and scientific advice requires Government agencies and the Government to work with fishermen, and as the hon. Member for Banff and Buchan (Dr Whiteford) mentioned, there is good practice in the pilots in Scotland to build on.

I am pleased that my hon. Friend the Member for Great Grimsby mentioned external waters. It is proposed that fishing partnership agreements will be replaced with sustainable fisheries agreements, which will put more emphasis on achieving the aims of the CFP outside EU waters. I welcome the new legal framework introduced by the Commission to ensure that European fishermen fish responsibly, but there is another concern relating to employment rights—perhaps not the Government's strongest cause—which I would like to raise with the Minister. We know that on EU vessels there are many workers from developing countries and there is concern about their employment rights.

Sheryll Murray: Will the hon. Lady give way on that point?

Fiona O'Donnell: I am afraid that I must press on, as I have little time remaining.

I want also to mention—last but by no means least—the under 10 metre fleet and how pleased I am that so many Members have made the case for it today. We wait to see how the pilots work, but I hope that the Minister will draw on the experience and skills of the co-operative and mutual movements in making them a success.

Fish are not territorial; they move across borders and seas, as do fishing fleets. As the Chair of the Environment, Food and Rural Affairs Committee, the hon. Member for Thirsk and Malton (Miss McIntosh), recently remarked, "Fish do not wear Union Jacks"; and nor do they wear Scottish saltires, and that is why we need a common fisheries policy and a single strong voice speaking up for UK fisheries.

The measures under discussion look set to form the biggest shake-up of the CFP in its history, and the Commission's proposal shows a welcome shift from annual decision making to longer-term management plans and ecosystem-based decisions, with policies that pledge to raise all fish stocks to a sustainable level by 2015, to stop discarding, to offer improved consumer information on the sustainability of seafood and to impose rules that offer financial support to environmentally sustainable fisheries.

I wish the Minister and the Secretary of State well in their negotiations, and I commend the motion to the House.

2.50 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I commend the hon. Member for Aberdeen North (Mr Doran) and his colleagues on the all-party fisheries group for bringing this issue to the House, and the Backbench Business Committee for supporting it. This debate leads on well from our debate in May, which my hon. Friend the Member for Richmond Park (Zac Goldsmith) brought to the House, and if Members support the motion they will give me and the Government

[Richard Benyon]

a mandate to continue our work to introduce some common-sense reform to a failed policy, and to take forward proposals that will greatly advantage the industry and our marine environment.

I should like to take this opportunity, however, to recall the six fishermen who have lost their lives this year in the line of their work at sea and in the harbour. We must remember the courage and sacrifice of individual fishermen, who put their lives in danger to bring food to our tables. Today is especially poignant, given our memory of Neil Murray, the husband of my hon. Friend the Member for South East Cornwall (Sheryll Murray), to whom many Members have referred, and I know that the House will wish to join me in sending sincere condolences to all those families and friends who have suffered losses.

I shall try to cover as many points as I possibly can. I shall not be able to cover them all, but at this vital time, as we move toward the December round and, of course, through the wider CFP reform negotiations, I remain absolutely willing to meet the all-party group of the hon. Member for Aberdeen North and any other groups of hon. Members.

The hon. Gentleman talked about the manifest failing of the common fisheries policy and found a ready audience in the House and, certainly, with me. He spoke about discards, as did several hon. Members, and it is important that our reforms on discards—I think that these were his words—reflect the reality of fishing. It is absolutely vital that we do so on a stock-by-stock, sea-basin and species-by-species basis and secure a workable result that delivers not just what the 700,000 people who signed up to the Fish Fight campaign want, but a sustainable solution for the fishing industry.

The hon. Gentleman spoke about the landing of black fish, and let the House be absolutely clear: those who land fish illegally are stealing fish from their fellow fishermen, so it is absolutely vital that we do all we can to crack down on that practice. He spoke also about regionalisation, as did a great many other Members, and about the welcome addition of the regional advisory councils in the 2002 reforms, and I absolutely agree that that is the basis on which we should talk, using a sea-basin approach to the management of our fisheries.

I want to see regionalisation work, but I concede the concerns, raised by hon. Members from all parties, that regionalisation in its current form could lead perversely to an increase in the Commission's powers. That is not what we want, and we will push very hard to ensure that regionalisation is effectively that.

The hon. Gentleman and several others raised another point, about the proposed cuts in the December round to those stocks where there is data-deficiency. We won a very important argument in the Baltic round of negotiations last month, noting that the arbitrary 25% or 15% cuts on the basis of a lack of evidence was completely illogical. It results in more discards, in poverty and in people going out of business, and we won that point. It remains on the table for the December round, but the principle has been won and we will drive it home, because it is really important.

My hon. Friend the Member for Thirsk and Malton (Miss McIntosh), the Chair of the Environment, Food and Rural Affairs Committee, made a very important point when she spoke about her Committee's desire to see more work on marketing less popular fish. DEFRA is doing that. We set up the "Fishing for the Markets" project, and among other things we are undertaking a land-all scheme in North Shields. Indeed, we have been doing so for a long time—for well over a year—and it is paying dividends. As Members have pointed out, 54% of discards are nothing to do with quotas; they are species that are not eaten in this country.

Mr Redwood: Will my hon. Friend give way?

Richard Benyon: If my right hon. Friend will allow me, I will not, because I have only five minutes and a lot to get through.

My hon. Friend the Member for Thirsk and Malton mentioned the lobsters and brown crabs off the coast of her constituency, and I assure her that we are thinking again about that issue, because we want to ensure that we carry people with us and our measures work.

The hon. Member for Redcar (Ian Swales), my hon. Friends the Members for South East Cornwall, for Waveney (Peter Aldous) and others spoke about the under 10 metre plan, as did the hon. Member for East Lothian (Fiona O'Donnell), who spoke for the Opposition.

Laura Sandys (South Thanet) (Con): Will my hon. Friend give way?

Richard Benyon: If my hon. Friend will forgive me, I really do not have time.

The important thing is that those reforms really work. A lot of work has gone into the issue, not just by this Government, I am first to concede, and the three pilots will be taken forward. My hon. Friend the Member for St Ives (Andrew George) said that there is enthusiasm in his constituency, as there is around the coast, to ensure that they work, and we are recruiting coastal liaison officers, who will assist people not only with managing their fishing opportunity or quota, but with marketing their catch and getting a better price for what they land.

Mr Redwood: Will the Minister give way?

Richard Benyon: I am sorry, but I shall not give way.

The hon. Member for North Ayrshire and Arran asked about marine conservation zones, and that represented the one note of discord in the debate, but I think that I can address it precisely. The hon. Member for East Lothian, who leads for the Opposition, asked me to take forward proposals on which there is no scientific basis or not enough of one to sustain them, but that position was not taken during the lengthy hours of debate, in Committee and on the Floor of the House, about provisions that became the Marine and Coastal Access Act 2009. Neither the Wildlife Trust nor anyone else took that position. What we will do—*[Interruption]*—and the hon. Lady would do well to listen to this—is obtain the evidence so that we can take forward an ecologically coherent network of marine conservation zones. I assure her that it will be something of which she can be proud—and so can we.

The hon. Member for North Antrim (Ian Paisley) spoke with concern about the displacement effect of scallops, and he is absolutely right: our management of one area of the seas will impact on another. I assure him that I take that issue very seriously.

We secured a review of the cod recovery plan a year ago, and I—naively perhaps—thought that it might have manifested itself by now, but unfortunately there will be dramatic cuts in days at sea unless we can improve it.

I am grateful to my hon. Friend the Member for Broxbourne (Mr Walker) for his praise. There is a terrifying hidden threat when Members are nice to Ministers, because they are saying, "If you fail, boy do you fail" but I take his comments at face value and absolutely assure him that recreational sea angling is key to what we want to do—not just because of the enjoyment that it provides, but because of its social and environmental benefits and what it does for coastal communities.

The hon. Member for Great Grimsby (Austin Mitchell) mentioned the 25% and 15% cut, but I hope he is reassured that we are going to fight it. On the point that my hon. Friend the Member for Richmond Park made, I intend to get more management control out to 200 miles. With the marine conservation zones, it is vital that we get buy-in from the European Union, otherwise we might have the perverse case of conservation zones that are just for fishermen from the United Kingdom, not for those on vessels that fish from other parts of the EU.

Member states must be able to work regionally to develop management plans and to implement measures that are appropriate to their fisheries, but currently the proposals lack crucial detail on how regionalisation will work. I understand that there are legal constraints to devolving power, particularly to the regional level, but proposals must enable nations fishing in the same areas—often for the same fish, as Members have said—to come together and agree on how to manage their fisheries.

This debate is, of course, also important for allowing us to set out clearly that our partnership with fishermen, both in terms of science and how government works, is vital. This is a critical time for fisheries management and I am sure that the House shares my commitment and enthusiasm to take this once in a decade opportunity to overcome the structural failings of the CFP. It is a long and challenging road ahead, but the UK has a major role to play in influencing the new policy and, with negotiations under way, progress is being made.

However, there is a lot more we can and must do to deliver the reformed CFP that we want. We need continued engagement with the European Commission, other members states and the European Parliament to exert maximum influence throughout the negotiations. We also need to continue working closely with NGOs, fisherman, retailers, processors and others with an interest in fisheries and the marine environment to secure a policy that will deliver a real change for the future of fisheries and the marine environment. I hope that hon. Members will continue to support the Government's view that fundamental reform of the CFP is required. I fully support the motion.

3 pm

Mr Doran: With the leave of the House, may I say that we have had an excellent debate? I am deeply sorry to those who were not able to contribute. We seem to have had half an hour taken off our debate because of the urgent question. In the 20 years or so I have been attending fisheries debates, this is the one in which there have been the most speakers, which clearly underlines the importance of the issue we have been discussing.

The message to the Minister is loud and clear: we support radical reform. That has come from all hon. Members' contributions. The Minister can go to the negotiations in December and in 2012 in the full knowledge of that support. He can afford to be brave. The Commission has put very little meat on the bones, but that could be an opportunity. He can be brave and bring the radical reform that we all want to see.

Jim Shannon: On a point of order, Mr Deputy Speaker. Last year, this debate took place in Westminster Hall and lasted for three hours. The request was made to have the debate here in the House, to which everybody could contribute. Will the Deputy Speaker consider the process and the time scale, because we thought we were going to have a three-hour debate here as well?

Mr Deputy Speaker (Mr Lindsay Hoyle): I understand the feeling running through the House today. A lot of Members wanted to contribute and the debate has had to be cut short. I am sure that that will be taken on board for future debates.

Question put and agreed to.

Resolved,

That this House considers that the Common Fisheries Policy has failed to achieve its key objective of producing a sustainable European fishery; welcomes the review of the policy by the European Commission; and urges Her Majesty's Government to ensure that a revised Common Fisheries Policy makes particular provision for—

(a) a move away from a centralised management system to a system of regional management of fisheries involving all stakeholders and strengthening of the local management of the 12 mile limit;

(b) a manageable and practical scheme to eliminate the problem of discarded fish; and

(c) the replacement of the current system of annual quotas with a multi-annual system of management focussed on conserving fish stocks within a sustainable fishing industry, in particular to protect the viability of low impact fishing.

ROYAL ASSENT

Mr Deputy Speaker (Mr Lindsay Hoyle): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Acts:

Localism Act 2011

Education Act 2011

Fuel Prices

Mr Deputy Speaker (Mr Lindsay Hoyle): I have to tell the House that no amendments have been selected.

3.2 pm

Robert Halfon (Harlow) (Con): I beg to move,

> That this House welcomes the 1p cut in fuel duty at the 2011 Budget, the abolition of the fuel tax escalator, the establishment of a fair fuel stabiliser and the Government's acknowledgement that high petrol and diesel prices are a serious problem; notes that in the context of the Government's efforts to tackle the deficit and put the public finances on a sustainable path, ensuring stable tax revenues is vital for sustainable growth; however, believes that high fuel prices are causing immense difficulties for small and medium-sized enterprises vital to economic recovery; further notes reports that some low-paid workers are paying a tenth of their income just to fill up the family car and that high fuel prices are particularly damaging for the road freight industry; considers that high rates of fuel duty may have led to lower tax revenues in recent years, after reports from leading motoring organisations suggested that fuel duty revenues were at least £1 billion lower in the first six months of 2011 compared with 2008; and calls on the Government to consider the effect that increased taxes on fuel will have on the economy, examine ways of working with industry to ensure that falls in oil prices are passed on to consumers, to take account of market competitiveness, and to consider the feasibility of a price stabilisation mechanism that would work alongside the fair fuel stabiliser to address fluctuations in the pump price.

I would not be here today without the 116 MPs from all parties who have signed the motion; the many other Members who have Government posts who would have liked to have signed it; the 110,000 people who signed our e-petition; *The Sun* newspaper's "Keep it Down" campaign; the FairFuelUK group led by Quentin Willson, who is in the precincts of Westminster today and who has been one of the leading campaigners for lower petrol prices; and Peter Carroll supported by the *Daily Express*. I also want to thank the Backbench Business Committee and its excellent Chair, the hon. Member for North East Derbyshire (Natascha Engel). Above all, I want to thank my hon. Friend the Member for Cleethorpes (Martin Vickers) who has been instrumental in helping me to secure this debate and the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) who I am pleased will be summing up. I want to consider why fuel duty is the No. 1 issue in Britain. I also want to talk about the financial impact, the economic impact and, finally, the social impact.

With the agreement of FairFuelUK, today's motion has been framed to unite the House and to win as much support as possible. As I said, that is reflected by the fact that 116 MPs from all parties have signed it so this has been successful. Last week, a poll in *The Sun* showed that 85% of people now believe that the duty rise in January should be cancelled. Other polls show that people are more concerned about petrol and diesel prices than anything else. We have the highest diesel price in Europe and one of the highest petrol prices. The Government's figures show that sales of petrol and diesel have been falling since 2008 because fuel is becoming unaffordable.

Mr Lee Scott (Ilford North) (Con): Does my hon. Friend agree that another problem is the difference in price of the same brand at different garages? At one garage on a motorway, we could see £1.50 a litre and, locally, we might see £1.29 a litre. Surely that is also a big problem.

Robert Halfon: I agree with my hon. Friend. Often if someone is driving up the M11—as I often do—or any other motorway, they are hostage to the various petrol stations. As I will say later, we need a market study into competitiveness.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Does my hon. Friend agree that rural areas, such as Shropshire, where there are limited bus services, are adversely affected by these expensive prices?

Robert Halfon: Absolutely. I welcome the fact that the Government are going to introduce pilots in some rural areas. I know that people will talk more about that today, but I thank my hon. Friend for his remarks.

In real terms, adjusted for inflation, motoring fuel has never been this expensive, apart from twice in history during historic crises of supply—Suez in 1956 and the OPEC strike in 1973. The current situation is being driven by higher taxes and we have to be realistic and truthful about who pays the lion's share of fuel duty: it is ordinary families driving to work, mums taking their children to school, small businesses that cannot afford to drive vans or lorries, and non-motorists who depend on buses and who are also being crushed by rocketing food prices as the cost of road haulage goes through the roof.

Tony Cunningham (Workington) (Lab): The hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) mentioned restricted bus services. Can I tell him that in large parts of Cumbria and other rural areas, there simply are not any bus services and people have to use their cars?

Robert Halfon: The hon. Gentleman is absolutely right. I was pleased to bump into him on holiday in Cumbria not so long ago. In certain areas, we cannot simply say, "People should use public transport." People depend on their cars.

Brandon Lewis (Great Yarmouth) (Con): I thank my hon. Friend for being so generous with his time. He mentioned small businesses. Coach companies in places such as Great Yarmouth are also affected. That affects the local economy because current prices make it difficult for them to have the money to invest further in their business and create more jobs and bus services for people locally.

Robert Halfon: My hon. Friend is exactly right. Later, I will show that transport firms are closing because of the high cost of petrol and diesel. His constituents are lucky to have him to represent them. As I said, small businesses have no choice but to use their vans and lorries, and non-motorists depend on buses and are being crushed by rocketing food prices.

Neil Carmichael (Stroud) (Con): Will my hon. Friend give way?

Robert Halfon: Let me just carry on for a bit.

The jobless, who are struggling to get off benefits and out of the poverty trap, cannot afford to drive to work. Fuel duty is a tax on hard-working and vulnerable Britons. I accept that the Government need to raise revenue, but let us at least be honest about who pays this tax. When fuel duty was first introduced in the 1920s, it was a third of its current level in real terms. However, as ever, tax increases have had the engine of a Rolls-Royce but the brakes of a lawnmower. The fuel tax escalator was introduced in 1993. Labour then accelerated it to 6% above inflation, and it was finally halted in November 2000, when massive fuel protests brought the country to a standstill. That was when petrol was just 80p a litre.

Ian Paisley (North Antrim) (DUP): Like everyone else, I welcome this debate. Does the hon. Gentleman accept that rural areas and the regions of this nation—places such as Northern Ireland—have the lowest salaries per worker but the highest fuel costs? That means fuel pricing has a disproportionate impact on people living in those parts of the United Kingdom. Importantly, Government taxation policy is encouraging fuel fraud, fuel laundering and fuel smuggling, meaning that the Exchequer is losing hundreds of millions of pounds each year.

Robert Halfon: As ever, the hon. Gentleman hits the nail on the head. He sets out how fuel prices are creating a more unequal society.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Further to the point raised by the hon. Member for North Antrim (Ian Paisley), does the hon. Gentleman agree that this disproportionate taxation is absolutely unjustifiable for people in rural areas who have no choice but to drive, particularly those in poorer households and small businesses?

Robert Halfon: I absolutely agree with the hon. Lady, and I thank her for coming with me to the Backbench Committee to try to get this debate.

Several hon. Members *rose*—

Robert Halfon: A lot of people want to speak, so I do not want to take too many interventions.

The coalition Government abolished the fuel escalator—we welcome that—and cut duty by 1p. They also introduced a semi-stabiliser, which means that duty will rise quicker than inflation only if oil prices are low for a sustained period. Thanks to this, motorists will pay £274 less on fuel duty during this Parliament than if the previous Government had been re-elected and stuck with their plans—but for most people filling up the family car, our prices are still the most expensive in Europe. Even bankrupt socialist nations such as Spain now have lower rates of fuel tax than Britain.

Albert Owen (Ynys Môn) (Lab): I congratulate the hon. Gentleman on securing this debate. Does he acknowledge that in January there was a hike in VAT that affected individual motorists right across the country?

Robert Halfon: I am glad that the hon. Gentleman raises that. The majority of businesses that are suffering from fuel prices get their VAT refunded. Sadly, as I mentioned, the last Labour Government increased the fuel escalator by 6% ahead of inflation. When we cut fuel taxes in the last Budget, Labour Members voted against it.

Research has shown that residents in my constituency of Harlow are now paying £42 million in fuel taxes every single year. However, tax is not the only problem. There are suggestions that some of the big oil companies are behaving like a cartel, with a stranglehold over the market. Brian Madderson of the Retail Motor Industry Federation says that the small forecourts that he represents are now forced to buy fuel from the big players at a set wholesale price on a daily basis rather than on weekly or monthly terms. There is no competition from wholesalers on these terms. The Enterprise Act 2002 gives Ministers powers to ask for an independent market study, and that is what we need.

Another factor is that fuel prices are quick to rise but sluggish in coming down.

Neil Parish (Tiverton and Honiton) (Con): Devon has as many roads as the whole of Belgium. We have very low wages, and many rural people are affected by fuel prices, in particular. There is also the question of diesel for lorries. Everything that goes by lorry uses diesel, so what about reducing its price in the way that it has been in many other countries?

Robert Halfon: My hon. Friend will be pleased to know that I prefer Devon to Belgium. Of course, he is exactly right.

In the past four months, the price of oil has fallen by 8% but fuel prices have stayed static. Oil firms protest that they are forced to buy raw materials in dollars and that currency fluctuations have made price cuts impossible, but analysis shows that this is false. The cost of Brent crude has fallen by nearly 20% since April this year, and yet the dollar has just risen by 6%.

Neil Carmichael *rose*—

Robert Halfon: Let me carry on for a moment.

Big oil firms should not hide behind currency fluctuations. Statistics from the UK Petroleum Industry Association, which is funded by the major oil companies, show that in early 2010 the price of crude oil fell steadily, and yet retail fuel prices stayed high for months. Why was that? Ultimately, the only way to resolve this is through open-book accounting. If the big oil companies want to prove their innocence, why do not they volunteer to publish the financial data?

I want to turn to the financial impacts. Since 2008, our consumption of diesel and petrol has declined, and the Government forecast that it will continue to plummet next year.

Tim Farron (Westmorland and Lonsdale) (LD) *rose*—

Robert Halfon: I give way to the president of the Liberal Democrats.

Tim Farron: My hon. Friend is being unfathomably but characteristically generous with his time. He says that consumption has gone down. Does he agree that consumption in rural areas has probably gone down as far as it is going to? Demand for petrol is so inelastic because people have only one way of getting to work,

[Tim Farron]

and that is by driving, even if they are on the minimum wage. This is now no longer an issue of environmental concern—it is about social justice.

Robert Halfon: I am pleased to say that I was also in the constituency of my hon. Friend for my holidays; it is such a wonderful part of the world. There is absolutely no doubt that fuel prices are threatening rural communities and preventing people from meeting and gathering together. Petrol is now so astronomically expensive that it is driving people off the roads and costing the Exchequer money.

Neil Carmichael *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We are not meant to be waving around the Chamber, Mr Carmichael. I am sure that you have already caught Mr Halfon's eye.

Robert Halfon: Just to relieve my hon. Friend, I will give way.

Neil Carmichael: I wanted to invite my hon. Friend to Stroud for his holidays, as well, if he has not already been. If he does come, he will see that we have a large number of road haulage firms that are very concerned about the price of diesel. Of course, they are having to pass that on to small and medium-sized firms, which, in turn, means difficulties for them. We need to understand that and give further strength to his case in this House.

Robert Halfon: My hon. Friend makes the point better than I have; I completely agree with him.

In the run-up to this debate, lots of people came to me and said, "We all want lower fuel duty, but how can we pay for it?" In fact, this is back to front. Evidence suggests that we are on the wrong side of the Laffer curve and that lower taxes might increase revenues. The Government's own figures show that between January and June this year 1.7 billion fewer litres of petrol and diesel were sold compared with the first half of 2008. The AA has done its analysis and says that this equates to £1 billion in lost revenue for the Treasury. As the Chancellor said earlier this year, we must put fuel into the tank of the British economy, and cutting fuel tax is the way to do it. The economic impact of this is disastrous. The ex-Tesco boss, Sir Terry Leahy, told *The Sun*:

> "I don't think people fully appreciated what an oil shock we've had. Filling up the family car has gone up 70% in two years, causing what was a steady recovery to go sideways."

As some of my hon. Friends have said, UK haulage companies are being driven out of business as they face higher taxes here than in nearby countries such as Ireland, with which we share a land border. To their credit, the Government have taken some action, and foreign lorry drivers are now charged up to £9 a day to use our roads. But still the insolvency firm SFP has said that three quarters of transport business failures in the last year have been caused by excessive fuel prices.

Fuel prices are adding to our dole queues. In 2006, when petrol was just 95p per litre, experts at the London School of Economics published research showing that unemployed workers who could not afford to drive or to commute to jobs stayed unemployed for longer. Since then, fuel prices have surged by 40%, despite the recession, and many workers have suffered from redundancy or wage freezes. The Government are working on a rural fuel duty rebate for remote outer islands such as the Outer Hebrides and elsewhere. This is welcome, but it will help only a tiny number of motorists.

Tessa Munt (Wells) (LD): I should like to add my comments to those of my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron). I want particularly to draw attention to the fact that young people in my constituency, which is very rural, are limited in their choice of education because there are no bus services to speak of, and they are sorely tested in trying to get to their schools and colleges if they choose to use a school outside their area. This was highlighted even more by the fact that they brought transport—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. This is far too long an intervention. We want to get through a lot of Members who wish to speak. Some people are trying to intervene who wanted to catch my eye early on, and I will put them further down the list if that carries on. I want to get as many people in as possible.

Robert Halfon: I understand and agree with the sentiments expressed by my hon. Friend the Member for Wells (Tessa Munt). I am grateful to her for supporting the motion and for backing me at the Backbench Business Committee.

Andrew Percy (Brigg and Goole) (Con): Will my hon. Friend give way?

Robert Halfon: I will not give way again because of what Mr Deputy Speaker has just said. I apologise to my hon. Friend.

I will turn to the social impact. In Harlow, the cheapest unleaded petrol costs £1.33 per litre. Most Harlow motorists are therefore spending £1,700 a year just to fill their tanks. For most people, that is the equivalent of £2,200 of income before tax—a tenth of the average Harlow salary. I met a Harlow man called Mr Barry Metcalf a few weeks ago. He is self-employed and uses his own car to commute to West Ham for work. He spends nearly £60 a week on fuel and has seen a 35% increase in the past year or two. The Government define fuel poverty as spending a tenth of one's income on heating bills. What about spending a tenth of one's income just on driving to work?

Of that £1,700, about £1,000 is taxation. That is why fuel duty is like a second income tax. The Office for National Statistics confirmed yesterday that fuel duty is regressive and that the poorest are hit twice as hard as the richest. Fuel duty is not just about economics; it is an issue of social justice. That is especially true in rural communities, which are being destroyed by fuel prices.

In conclusion, there is a strong financial, economic and social case for cutting fuel taxes. That is why we urge the Government to scrap the planned 4p fuel duty increases that are scheduled for January and August 2012; to create a genuine price stabilisation mechanism that smoothes out fluctuations in the pump price; to pressurise the big oil companies to pass on cheaper oil to motorists; and to set up a commission to look at market competitiveness and radical ways of cutting fuel taxes in the long term. There is an ethical case too. We must show that tax cutting is a moral creed. We must show that this is a Government for the many, not for the few; a Government who cut taxes for millions of British people, not just for millionaires. I urge the Government to listen to the 116 MPs who have signed the motion; to the 110,000 people who have signed the FairFuelUK e-petition; and to the many millions of families, small businesses and pensioners who are struggling with fuel costs. I urge the House to support the motion.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I remind the House that there is a four-minute limit on speeches. Members should restrict the amount of time that they use wherever possible. Brevity will be helpful in this debate.

3.22 pm

Mr Dave Watts (St Helens North) (Lab): I am sorry that my amendment was not selected by Mr Speaker, because I believe that the motion is wishy-washy. I will explain the reasons for that later. My amendment went into some of the details that need to be addressed to help hard-working families.

Like many Members, about four or five weeks ago I started to receive letters from constituents on this issue, mainly prompted by the FairFuelUK campaign. At the time I wrote back to my constituents to tell them that I could not support the campaign because it called for tax cuts without saying how they would be paid for. I have little time for campaigns by the *Daily Mail*, the *Daily Express*, FairFuelUK or the TaxPayers Alliance, which are extreme right-wing organisations that promote tax cuts at the expense of public services.

However, I have now changed my mind after speaking to some of my constituents. There is no doubt in my mind that high fuel prices are having a tremendous impact on many low-paid and middle-paid families in my constituency. It is clear that the Government have no idea about the impact that high fuel prices are having on many constituents around the country. It is also clear that they have no understanding of the impact that wage freezes, high inflation, tax increases and high unemployment are having on the general public and the economy. Many of my constituents will have no pay increase for two years. Prices go up in the shops virtually every week. Heating and petrol prices are a particular problem for many of my constituents, and many of them are struggling to stay afloat.

The second reason I support the campaign is the decision by the Liberal Democrats and the Tories to raise VAT to 20%, which has had a massive impact on the cost of living and on my community. It has made the situation worse. We have now had a flatlining economy for 18 months and unemployment is at a 17-year high. Those who believe that the motion will address those issues are sadly mistaken. What we need is a complete review of economic policy in this country, taking on board something like the Labour plan for jobs and growth. Unlike Labour, the Government parties have no policies for growth. Labour's policies of providing 100,000 jobs for young people, bringing forward investment in major projects and schools, a temporary reversal of the VAT rise—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We need to stick to fuel prices.

Mr Watts: I am sticking to them, because the people promoting the motion believe that it will address their constituents' problems. We have heard many Members talking about the impact that high fuel prices are having on their constituencies. I know that to be the case, but it is only part of the problem that people face on a daily basis. We need a review. At the last election the Tories promised to cut fuel costs and to stabilise them in the immediate future and the long term.

Many families depend on cars to get themselves to work and to deliver their children to school—

Mr Deputy Speaker: Order. I call Mark Garnier.

3.26 pm

Mark Garnier (Wyre Forest) (Con): Speaking as somebody whose combined family mileage approaches 50,000 miles a year, and as a Member who represents a semi-rural constituency, I am acutely aware of the burden placed on local households by fuel prices. The cost of fuel does not just affect those who use cars; it affects everyone through food prices and prices on the high street, and it affects those who use public transport.

Some argue that if we want to move towards a more sustainable economy, high fuel prices will encourage a greener outlook. I do not disagree with that. However, when we are doing everything we can to improve our economic prospects, now is not the time to allow rising fuel prices to limit the mobility of our work force and hinder manufacturers and retailers through increased transport costs.

Mr Mark Spencer (Sherwood) (Con): Does my hon. Friend agree that young people in particular feel the pressure of high fuel prices when they are trying to find their first job, which is often low paid? Does he also agree that the cost of insurance adds a burden to young people who have to get to and from employment?

Mark Garnier: My hon. Friend raises a very good point. The cost of car insurance is unbelievably high for young people. That is a particular problem when they are trying to get on the job ladder. We should certainly be doing everything we can to help young people.

The price of oil, as we have heard, is determined by commodity markets as well as by the sterling-dollar exchange rate. The only way to control pump prices is therefore through fuel duty. However, the country has incredibly little room for manoeuvre. I am convinced that helping economic growth through tax breaks works, especially when those tax breaks are targeted at specific areas such as fuel duty.

A cut in the price of fuel at the pump would reduce manufacturing and distribution costs, increase the mobility of our work force, increase household disposable income and lessen, overall, the headwind facing our economic recovery. Taking into account the work that we are trying to do in Kidderminster to promote advanced

[Mark Garnier]

manufacturing and help boost the retail industry, I would welcome any reduction in costs, including fuel and transport costs. However, given where our economy is, any reduction in fuel revenue would have to be met by an increase in revenue elsewhere. Everything that the Government do has to be fiscally neutral. We simply do not have the resources available to cut fuel duty significantly without putting in jeopardy our low borrowing rates, which mean that we are in greater control of our own destiny than some of our European neighbours.

Although I support the efforts that the Government have already made in cutting 1p off the fuel duty in March and suspending the fuel duty escalator—a reduction of £1.9 billion in fuel duty—I urge them to see whether more can be done to help. The rising price of oil leads to increased profit for the oil companies from existing oilfields, as we have heard, and that extra profit gives the Government more opportunities to look again at tackling the high pump price of fuel, either through encouraging price reductions by the oil companies or through the tax system.

What has recently been causing a great deal of anguish among my constituents is that it costs more to run a car in Wyre Forest than in nearby Dudley. The average of 134.8p per litre of unleaded is about 6p higher than in Dudley, just 10 miles up the road. I have written to the petrol companies to see whether they can explain why they want my constituents to pay more for their petrol than people in nearby Dudley or Wolverhampton. Just one has taken the trouble to reply, to say that it has received my letter, but I have had no other replies, and certainly no explanation as yet.

It is right that we are debating the overall cost of fuel duty to our economy, and it is right that we are looking for ways of reducing that burden. However, I want the oil companies to explain why they see fit to charge my constituents in Wyre Forest more for their motoring. Can they justify subsidising more urban areas, not just in the black country but in the country as a whole, at the expense of our semi-rural and rural communities? Can they please let us all know when they intend to remove that rural surcharge on fuel?

3.30 pm

Albert Owen (Ynys Môn) (Lab): It is a pleasure to follow the hon. Member for Wyre Forest (Mark Garnier). I congratulate the hon. Member for Harlow (Robert Halfon) on securing the debate, and I was one of those who signed the motion and helped him to do so. I believe that the motion is a little broad and weak in its application, but I understand the reason for that—securing this debate.

I wish to talk about two main issues to do with how fuel prices hit peripheral areas—not just isolated communities but other areas on the periphery. They suffer from a double whammy of high energy costs—particularly for those who are off the grid and have to pay for heating oil and liquefied petroleum gas—and having to pay more for their petrol.

Road journeys are a necessity in communities such as the one that I represent. We are not talking about Chelsea tractors or luxury vehicles; we are talking about the necessity of getting from A to B in rural and semi-rural areas, where alternatives do not exist. If the hon. Member for Harlow were to come to my constituency, along with the hon. Member for Crewe and Nantwich (Mr Timpson) and others, he would see the price differences as he moved west from Chester to Anglesey. Only yesterday, the difference was 7p per litre of petrol, and far more for diesel. We need to do something about that.

I welcome any reduction in fuel duty, for which I have campaigned for many years, but the March reduction was wiped out by the January VAT increase. That was a real problem for real motorists. I understand what the hon. Member for Harlow said about businesses reclaiming VAT, but ordinary motorists were unable to reclaim that extra 2.5 percentage points.

Andrew Miller (Ellesmere Port and Neston) (Lab): My hon. Friend knows that fuel prices go up when he travels westwards from the Chester area to his constituency. However, there are also people in urban areas who are trapped by fuel prices, such as the lady who came to see me at my last surgery, who has to travel to Liverpool for medical treatment and also has to travel regularly to Bolton to see her daughter, who is in a mental health hospital. Such people need support, and some of them live in urban areas. I am sure he would not want to exclude them.

Albert Owen: Sure—and I was not making a rural versus urban argument, I was talking about peripheral areas, particularly those far from refineries. Indeed, I want to talk about British refineries. Quite often, crude oil from the North sea is actually refined in faraway countries and brought back here, which adds cost. We therefore need to improve our refinery capacity in this country, to keep prices down.

I welcome the fact that the escalator has been done away with. It was introduced in 1993, perhaps for good reasons: it was felt that people could move from private to public transport. However, in semi-rural areas that is just not possible. That is why motorists have been enraged by the rise in the escalator. It went up, I think, by 5% under the Conservatives and 6% under Labour.

The Government could deal with VAT now. We can talk about the effect that a semi-stabiliser would have on North sea oil and the prices at the pump, but the Government can take measures now to reduce VAT to help motorists today. When the previous Government lowered VAT from 17.5% to 15%, fuel prices came down, helping to stimulate the economy. *[Interruption.]* They did. The hon. Member for Na h-Eileanan an Iar (Mr MacNeil) is laughing, but he needs to compare the prices. Prices came down and businesses were able to trade more. Individuals could also use their cars more, and not just for work but for leisure. *[Interruption.]* The hon. Gentleman says from a sedentary position that fuel duty went up, but the calculation shows an overall saving to the motorist at the pump, and that is what we are talking about. We can argue the complicated and technical aspects, but at the end of the day people want lower prices at the pump.

Toby Perkins (Chesterfield) (Lab): Government Members may well be laughing too, but people in Chesterfield are not laughing, because they are paying through the nose. It is not just the general public who are affected by the current level of VAT. Small businesses up and down the country that are not VAT-registered and do not qualify to get their VAT back are paying huge amounts. We should not be laughing about this; we should be taking the point seriously.

Albert Owen: I am grateful to my hon. Friend. The Government need to look again at changing the rate, because it worked. If we in this House are serious about stimulating the economy, we need to look at such mechanisms—which can be used now—because the economy is flatlining.

Areas such as mine are paying extra for energy and fuel, and we need to do something about it. We had a debate the other week about energy prices, and we agreed that we needed to investigate what is called the "rocket and feathers" effect—that means that when prices go up they shoot up quickly, but when they come down they come down slowly—for domestic energy users and retailers. As the hon. Member for Harlow said, we also need to look at that effect in relation to crude oil prices, which also escalate quickly but come down slowly. We need some sort of commission to examine that mechanism.

The three points that I wanted to make today are as follows. We need to look at the differentials between areas close to refineries and those on the periphery. I understand that a rebate is being considered for remote islands, but, as has already been said, that does not help the many motorists around the coastal areas of the United Kingdom who are paying considerably more. I heard one of my colleagues from Northern Ireland say that Northern Ireland has higher prices, but according to the website that compares prices, Bangor in north Wales pays 3p or 4p a litre more than Bangor in Northern Ireland. I say good luck to the people who live in Bangor in Northern Ireland, but my constituents are paying 7p a litre more, week in week out, to trade, to do business, to move people and goods across the area and to take young children to amenities and leisure facilities of a night.

It is time the Government did something. I will back them when they do the right thing. They can consider whether more could be done on refineries. We need to look at transport costs and VAT, and we need to help the people today.

3.37 pm

Mr Alan Reid (Argyll and Bute) (LD): I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on his campaign to secure today's debate.

I represent a sparsely populated constituency where long drives for essential business are common, so I am well aware of the impact of high fuel prices on individuals and businesses. For example, the price of fuel on some of the larger islands in my constituency, such as Mull and Islay, is typically about 15p to 20p a litre higher than in a city centre supermarket, and on the smaller islands, such as Coll and Colonsay, the price is usually about 30p a litre higher. It should be stressed that this is not because of profiteering by the local filling stations. The reasons for the higher prices are low turnover, compared with all the fixed costs that a rural filling station has to pay, and the costs of the distribution network. The costs of fuel distribution in the highlands and islands are very high, and I hope that the Office of Fair Trading will investigate them.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I understand exactly what the hon. Gentleman is saying about Coll and Colonsay, but he will know that a newspaper on Coll and Colonsay costs the same as in the city centre. Should the Government not move towards more parity and equality between islands such as Coll and Colonsay—or, indeed, Na h-Eileanan an Iar—and city centres?

Mr Reid: I agree with the hon. Gentleman, and I hope that he will give credit to the Government for what they are doing on fuel duty on islands. The high price of fuel obviously has a great impact on people's living standards, and makes it difficult for anyone trying to run a business on an island or in a remote rural area.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): My hon. Friend is making the important point, which has come out again and again in the debate, that people in remote rural areas in constituencies such as ours have no choice but to use a car. Does he agree that, in the long run, the Government will have to look at a system of variable road user pricing that is based on the choices available and that will enable essential users to pay a lower price?

Mr Reid: I certainly agree with my hon. Friend.

There has always been an environmental argument for higher fuel prices, in order to persuade people to use public transport rather than a car. That argument works fine in a city with plenty of bus and train services, but it falls down completely in a rural area, and particularly in a remote rural area such as Argyll and Bute, where in places there is a bus service only on school days. That might be okay for getting schoolteachers to and from work, but it is no good for anyone who needs to be at work outside school hours. The advantage of road user pricing would be that more could be charged for driving on city roads, with a much lower price for driving on a remote rural road. The problem with fuel duty is that it is a blunt instrument, in that the same level of duty is charged in all parts of the country, irrespective of whether public transport alternatives exist or not.

Damian Collins (Folkestone and Hythe) (Con): Will my hon. Friend give way?

Mr Reid: I am sorry; I have used both my interventions.

To go back to the point made by the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), I was delighted when the Government announced their intention to pursue a pilot scheme whereby there will be a 5p a litre fuel duty discount for those on many of the country's islands, including all those in my constituency. That reduction will go part of the way towards removing the price differential between fuel on the islands and fuel on the mainland. I hope that the scheme will be up and running soon, and I ask the Minister to give us an update at the end of the debate on how the negotiations are going in Europe. I am sure that the pilot scheme for the islands will be successful; if it is, I would like it to be extended to remote parts of the mainland. Operating a

[Mr Reid]

rural filling station is clearly not a profitable business these days. On the Kintyre peninsula, two of the five filling stations that the area had at the start of the year have closed.

There was a time when it could be argued that high fuel taxation was needed to discourage people from driving and polluting the environment, but market forces have already achieved that. The environmental argument for high fuel duty is not sustainable in the present circumstances. The high price is already discouraging people from driving, and they are making only journeys that are absolutely essential. Changing people's behaviour is possible only when public transport alternatives are available, which is simply not the case in the highlands and islands.

I was also delighted when the Government abandoned Labour's fuel duty escalator in the Budget, introducing the fuel duty stabiliser instead and bringing down the fuel duty because the price was so high. The Government have scheduled a fuel duty increase for January, because it was hoped at the time of the Budget that prices would have decreased by then. Prices show no sign of coming down, however, so I hope that the Government will listen to everyone who has signed the motion and spoken in the debate, and not proceed with the January fuel duty increase. The price of fuel adds to the price of everything in a rural area. The high cost is holding back economic recovery, so anything that the Government can do to bring the price down would be greatly welcomed in all rural parts of the country, and particularly in the highlands and islands.

3.44 pm

Mr Russell Brown (Dumfries and Galloway) (Lab): I too want to thank the hon. Member for Harlow (Robert Halfon) for securing the debate today. Like many others in the House, I have received a multitude of e-mails supporting the FairFuelUK campaign. Expectations in my constituency and right across the country are very high indeed, and I think that some people are expecting fuel prices to fall at 7 o'clock this evening, on the back of this debate. That is not going to happen, however, and I have had to make my constituents aware that the wording of the motion will not provide a quick fix to the problems that they are facing.

Let me quickly raise one or two issues. Crude oil today is less than $115 a barrel; in 2008, oil was $147 a barrel. We have to ask about market speculation and what it is doing to the price of fuel and thus to our constituents. Like others who have spoken this afternoon, I represent a rural area, where people often have off-grid heating. That means they suffer more, not just from having to fill up their vehicles.

Heather Wheeler (South Derbyshire) (Con): Do people in the hon. Gentleman's constituency suffer as we do in South Derbyshire from fuel thefts, which are common in rural areas? This applies to heating oil in particular, but transport companies also have their stocks of oil stolen regularly, and yet the police do not seem to be able to trace them.

Mr Brown: Dumfries and Galloway constabulary is first class at tracking and tracing thieves. The hon. Lady is absolutely right. We often face this situation when the value of the product rises and people try to steal heating oil and all the rest of it. People have to heat their homes, whether it be with heating oil or liquefied petroleum gas, and they also have to use their vehicles. In some locations, there is no other form of transport whatever. For some, there is a bus until 5 or 6 o'clock in the evening, which can be very difficult when people need to travel a distance to visit other family members or friends in hospital. A car is thus an absolute necessity for many households.

We are seeing price differentials and we are certainly seeing them with some supermarkets. I am not going to name the supermarkets on this occasion, as the last time I mentioned just the word "supermarkets", two or three of them were quick to write to me to express their anger. Supermarkets drive the price in our local communities: prices tend to fix around what local supermarkets are bidding from their customers.

Here we are getting towards the back end of the year and we see another price differential between diesel and unleaded petrol. The difference has gone up from what it was in the late summer—about 2p or 3p a litre—to up to 6p, 7p or 8p a litre today. I recognise that lies partly with the refineries, but surely in this day and age more investment should be forthcoming so that the price differential does not create an even greater problem for those who have decided to drive diesel vehicles.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): My hon. Friend is setting out the complexity of this issue. Does he agree that, given that complexity, the simplest way to relieve the pressure on families and businesses would be temporarily to reverse the rise in VAT?

Mr Brown: My hon. Friend is exactly right, and I was about to come on to that point. That was the most significant single increase of the last 12 months. The increase in VAT drove up the price by some 3.2p a litre. We could give families that amount back if we took off the extra 2.5% on VAT. I ask the Economic Secretary to consider that measure temporarily. My other plea to her and her Treasury colleagues relates to future increases in the pipeline, as outlined in the Budget. I sincerely hope that she and her colleagues will listen to what we are saying this afternoon, as we do not want the proposed increases finding their way through. She should be bold, as the previous Government were bold. That Labour Government took some flak on duty increases, but there were 11 occasions over nine years when the Labour Government either froze, postponed or totally abandoned increases that were in the pipeline because the price of crude oil was rising.

I sincerely hope that some Department will speak to the oil companies about what we are witnessing. I come back to the speculation going on in the marketplace, which is hurting our constituents and hurting businesses, particularly small businesses. I realise that because those who are VAT-registered will get the VAT back, any reduction will not affect them, but others are being hurt very badly. Like other Members, perhaps, I know of people in remote areas who have discovered that travelling to work is becoming far too costly, and some of them are considering giving up work altogether.

Nia Griffith (Llanelli) (Lab): Does my hon. Friend agree that immediate action is required to stimulate economic growth, and that we need a Government who will respond to what is happening?

Mr Brown: We do need immediate action. As I have said, we will see nothing immediate this evening or in the next few weeks, but I hope for a positive response from the Treasury team in the statement that will be made later this month.

3.50 pm

Caroline Nokes (Romsey and Southampton North) (Con): I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on the persistence that enabled him to secure this important debate.

The issue that we are discussing does not affect only rural constituencies. I am very conscious that 75% of the constituents who have contacted me come from the more urban parts of the constituency. The truth is that everyone is affected by rising fuel prices. Nevertheless, a disproportionate burden has been placed on those who live in rural areas. In parts of my constituency, people have no choice but to use their cars. Those who live in remote rural villages travel, on average, 10,000 miles a year just to gain access to essential services. One constituent told me, "This is not about luxury. I leave home for work before the first bus arrives in the morning, and I return long after the last one has gone back to the depot." He has no choice whatsoever.

However, it is not only those who use their cars for their own journeys who are affected. We should also consider those who act as volunteer drivers and support charities, an increasing number of whom tell me that they are finding it too expensive to continue to help the community in that way. We should be thinking about ways of supporting them. Although they welcome the increase in the Chancellor's approved mileage allowance, they say it is becoming increasingly difficult for them to play their part in helping the local community and reducing the burden on the local councils that would otherwise foot the bill.

John Hemming (Birmingham, Yardley) (LD): Does my hon. Friend agree that because of the greater scarcity of fossil fuels, we should be aware of the costs of energy generally and in the long term, not just the short term?

Caroline Nokes: Absolutely. I hope that I shall have time to mention that at the end of my speech.

This is not just of concern to middle-income families who may be running two cars; it is a huge cost for low-income families who spend proportionally more of their incomes on fuel.

Nadine Dorries (Mid Bedfordshire) (Con): I am sure my hon. Friend agrees that some of those low-income families are trying to establish their own businesses, or are already running small businesses such as, in my constituency, landscape gardening businesses. Winter is coming, and those people will now have to deal with the increase in fuel prices as well.

Caroline Nokes: That is indeed of real concern.

It is little wonder that so many of our constituents signed the e-petition—more than 110,000 members of the public called for the debate—and little wonder that the focus has been on the proportion of taxation in the current average price of £1.34 a litre.

Susan Elan Jones (Clwyd South) (Lab): The hon. Lady is making a powerful speech. Could she make it even more powerful by saying that she would support a reversal of the increase in VAT on fuel?

Caroline Nokes: I am not convinced that that would be legal.

This morning I met representatives of the Freight Transport Association. They told me that high fuel prices have had a crippling effect on the logistics industry, whose business viability is determined by the price of fuel. Even the smallest rise makes a massive difference to them. A 5p increase in fuel duty adds another £2,350 to the annual price of running an articulated lorry, and the 3p increase that is planned for January would mean that a fleet of 50 vehicles would have to recover £37,000 more per year.

Esther McVey (Wirral West) (Con): Will my hon. Friend give way?

Caroline Nokes: I am sorry, but I do not think I have time to do so.

Profit margins for hauliers are incredibly tight, which makes haulage a very vulnerable business. In particular, fuel companies are not willing to extend credit terms, with the result that some payments are shrinking to as little as three days' worth. As haulage firms are often not paid for work for up to 60 days, this is very much a hand-to-mouth industry, and companies can afford to think only as far as January. That hinders growth, investment and further recruitment.

There are about 100 Freight Transport Association members in my constituency, which is, of course, close to a deep-sea port. Fuel duty is lower on the continent, and £1,000-worth of diesel purchased on the continent can give over 200 extra miles to the driver. That has led to European businesses becoming more competitive than their UK counterparts, further heightening the pressure on domestic hauliers.

I acknowledge that we are facing a very difficult economic situation, and that we need to take robust steps to tackle the deficit, and I also know that the planned rises are less than the previous Government had intended. It is a relief to constituents that the Government delayed the scheduled tax rises and have introduced a fuel stabiliser but, like others supporting this motion, I want us to have a stabilisation mechanism under which duty rises and falls in response to fluctuations in the underlying price of oil.

As I am a member of the Environmental Audit Committee, it would be wrong of me not to mention the impact motorists and hauliers have on our nation's carbon footprint, but fuel taxation is a blunt instrument and the reality is that people in rural areas are having to bear the additional cost as they often have to make the same essential journeys as before.

[Caroline Nokes]

There are alternatives to petrol and diesel that are more environmentally friendly. One of them is biodiesel, produced from used cooking oil. Over the last year, 99 million litres of used cooking oil was collected from restaurants, food manufacturers and caterers. It is an entirely sustainable fuel derived from a waste product and devoid of some of the negative impacts traditionally associated with biofuels. Therefore, if taxation on fuel is partly about encouraging behavioural change, rather than just being about revenue raising, the Government should encourage the use of this fuel, rather than see it as another target for increasing duty. The removal of the 20p per litre duty differential on this type of fuel, which is an excellent source of green energy, sends entirely the wrong message.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. Before I call the next speaker, may I remind Members that when they rise to intervene they are addressing the House, not their colleague behind them, and they are to turn around and face the Speaker's Chair? That will stop them saying "you", because they will see that they are addressing me, and what they have to say has nothing to do with me. We will also be able to hear the interventions, which I have not been able to do thus far.

3.57 pm

Graeme Morrice (Livingston) (Lab): I welcome the opportunity to speak in this debate, and I join other Members in paying tribute to the FairFuelUK campaign and the thousands of businesses and individuals who have backed it. I also pay tribute to the hon. Member for Harlow (Robert Halfon) for securing a debate on this important matter.

There can be no doubt that for many months now high fuel prices have been hitting families and businesses hard. Indeed, the October AA monthly fuel price report highlighted that summer prices—those from April to mid-October—compared with those in 2010 were on average 17.5p per litre higher for petrol and 19.7p higher for diesel. These high price increases are an important element of the wider financial squeeze that so many middle and low-income families are currently experiencing.

New AA research published yesterday also underlined the fact that less well-off drivers have suffered more since the price of fuel peaked earlier this year. The research shows that those cutting back on car use and/or other spending rose dramatically among those living on lower incomes. That is a very worrying development. The constituents who have contacted me over the last few weeks are absolutely clear about what they want: lower fuel duty and lower fuel prices at the pumps.

On fuel duty, the Conservatives in opposition said that pump prices would be benchmarked and allowed only to move by 5p per litre in either direction, in response to the changing price of oil. The limited fair fuel stabiliser plan announced in the Budget does not equate to what the public might expect from a fuel duty stabiliser. Commenting after the Budget announcement, Edmund King, the president of the AA, said:

> "In effect it is a stabiliser on an escalator rather than a stabiliser on prices. It does not reduce prices. All it does is to reduce increases in duty."

That is not what consumers were expecting and, as the motion states, it is time for the Government to look again at a "price stabilisation mechanism".

When the Government increased VAT to 20% in January, they contributed to a further increase in fuel prices. It was the wrong tax at the wrong time, and it has kept petrol prices high and hit economic growth. I support the call, along with my Labour colleagues, for a temporary VAT cut to 17.5%, which would immediately bring the cost of fuel down by about 3p a litre.

We must also be grateful to my hon. Friend the Member for Bassetlaw (John Mann) for the excellent research that he published earlier this year on the political responsibility for increases in fuel duty. His revealing figures show that Conservative Governments have presided over increases in duty and VAT that have actually cost motorists twice as much as increases made by Labour Administrations. His figures demonstrate clearly that Labour Members have always been on the side of the ordinary motorist and the business person, whereas the Conservatives have been content to use fuel duties as a punitive means of raising revenue.

Toby Perkins: My hon. Friend has not only laid out the case with tremendous vision, but he has used some research, which is very welcome. Does he not think that the many people from Chesterfield who wrote to me supporting the fair fuel debate will be surprised to see how meek the motion is? They were expecting a hell of a lot more from this debate than what is to be voted on.

Graeme Morrice: I certainly agree with my hon. Friend that the public are expecting more, and we are not going to see any action unless the Government do something about this imminently.

Nick Smith (Blaenau Gwent) (Lab): Filling up a commercial van costs £15 more now than it did last year. In January, I asked the Prime Minister about help for hauliers who are struggling with their fuel bills and he told me that the Government were looking at a discount for haulage firms. So far there has been little action on that. Does my hon. Friend agree that it is vital to support our truckers at this time?

Graeme Morrice: I entirely agree with my hon. Friend. Immediate action needs to be taken to ensure that our hauliers, and our commercial and transport businesses, are supported in this regard.

Christopher Pincher (Tamworth) (Con): Will the hon. Gentleman give way?

Graeme Morrice: No, I am going to carry on because I have taken some interventions and I do not have much time. I am coming to the conclusion of my speech. *[Interruption.]* We hear all the jeers from those on the Government Benches, but we must not forget that in 1993 it was a Conservative Government who introduced the fuel duty escalator. It is a Conservative fuel escalator, despite the protestations from Conservative Members. The families and businesses that have contacted all Members of this House on this issue need and expect action that will bring about a tangible reduction in the price of petrol and diesel, sooner rather than later. I hope that today's debate will act as a stimulus for real change on this issue in the weeks and months ahead.

4.3 pm

Rory Stewart (Penrith and The Border) (Con): I join so many colleagues in congratulating my hon. Friend the Member for Harlow (Robert Halfon) on securing this fantastic debate. It is such a great example of how the Back-Bench system should operate. On that note, I will try to keep my speech as short as possible, limiting it to less than two minutes in order to let others speak.

I wish to make one very simple point on behalf of Cumbria: rural isolation is not just a question of sparse population; it is also about the terrible hollowing out of rural areas over the past 15 years. When I look out of my window at home, I see the disappearance of a school, a shop and a police station. In the past 15 years, we have lost 2,200 schools, 550 clinics and 150 police stations—that is across the nation, not across Cumbria.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): My hon. Friend will also be aware that 600 filling stations are closing every year, making the distance that rural inhabitants must travel to fill up their car even more demanding.

Rory Stewart: I thank my hon. Friend for making that point. The loss of pumps is an incredibly important issue, as is the loss of all the other services that are going such as pubs and shops. Currently, my neighbour, who has Parkinson's disease, has to travel for two and a half hours to see a neurologist in Newcastle, and our schoolchildren are travelling further and further. There are things we can do to deal effectively with these problems, including with broadband and smart metering. It is a real disgrace that we have not sorted out smart metering. There is much better technology available. However, I should like to make a small plea for an extension, as rapidly as possible, of the 5p rebate that is currently offered in the highlands and islands to other sparsely populated areas of Britain.

Graham Jones (Hyndburn) (Lab): I appreciate that the hon. Gentleman is making a rural point and that there are all sorts of issues about bridges and roads and the amount that goes into them, certainly in Lancashire. However, on his point about unfairness, was it not a previous Tory Minister who said, "When it doesn't fit, get on your bike and get somewhere else"?

Rory Stewart: The hon. Gentleman will be astonished to discover that I disagree very strongly with the idea that the solution to problems of rural isolation is to "get on one's bike and move somewhere else." Our rural communities are the lifeblood of this country. When we think about our rural areas, we think about this country. Farming communities and all the other forms of rural community have a value that goes well beyond their economic value. We would be terribly sorry to lose them.

George Freeman (Mid Norfolk) (Con): My hon. Friend is a passionate advocate of all things rural. Does he agree that the disproportionate impact of the tax on rural economies effectively makes it a tax on rural areas? It is a tax on the rural big society and on the rebalanced economy. If we are not careful, it will trigger a serious tax revolt in our rural communities.

Rory Stewart: I would never be able to speak with such eloquence as my hon. Friend, who makes a wonderful point. In order to fulfil my commitment and in honour of my hon. Friend the Member for Harlow and the Backbench Business Committee, I shall now sit down after making my plea: "5p for Cumbria."

4.7 pm

Mr Nigel Dodds (Belfast North) (DUP): I am grateful to be taking part in the debate and I congratulate the hon. Member for Harlow (Robert Halfon) and his colleagues on having secured it. I also congratulate the many individuals who signed the e-petition and those others who managed to persuade the Backbench Business Committee to have this debate today.

This issue is one of our constituents' major concerns; indeed, surveys have put it right at the top of that particular poll. The fact that households in the United Kingdom pay on average £677 a year purely on fuel duty illustrates the extent to which this issue affects ordinary working people and those in the poorer sectors of society. The poorest 20% are generally paying twice as much of their income on fuel duty as the richest 20%, which cannot be right. It is clear that the impact is not just on poorer people but on those in rural areas, as has so eloquently been pointed out already, and there is also a disproportionate impact on younger people. We had a debate in the House not long ago about car insurance and it is clear that younger people face a big premium for car insurance. As a result, they are finding it very difficult to stay mobile, to get jobs and to stay in employment.

Tessa Munt: Just two Fridays ago in the Youth Parliament debate, transport was identified as a main issue of concern for the Youth Council's campaigns over the next year. I hope that the Minister will take that into account when she responds to the debate.

Mr Dodds: Yes; transport is a big issue for young people, because in order to get jobs, stay in employment, get around and socialise they need to be mobile. In rural areas and poorer areas it is difficult for people to sustain that at the current price of diesel and petrol.

Jim Shannon (Strangford) (DUP): We are urging people to get into work, but people who live in rural areas in Strangford and who travel to my right hon. Friend's constituency of Belfast North will find that a two-hour round trip costs £10 a day. That is £50 a week or £250 a month, which is a large chunk out of anyone's wage packet. Does my right hon. Friend agree that a reduction in the price of diesel and petrol would help the unemployed to get a job and would help the employed to stay in work?

Mr Dodds: I am grateful to my hon. Friend, who makes a good point and illustrates it with the facts. I will come on to the situation in Northern Ireland, but it is clear that a car is a necessity, not a luxury, for many people in his constituency, so he makes a valid point.

The fact is that Northern Ireland has the highest-cost fuel of any region in the United Kingdom. The Automobile Association's October fuel price report showed that of the 12 regions of the UK, Northern Ireland was, on average, the most expensive for unleaded petrol, diesel

[Mr Dodds]

and super-unleaded. On top of that, its energy prices more generally are among the highest in the United Kingdom. I mentioned car insurance; Northern Ireland's car insurance premiums are by far the highest in the United Kingdom. They are, on average, 83% more expensive per person than in the rest of the United Kingdom. Earlier, someone mentioned a double whammy for their constituents; in Northern Ireland, we have a severe triple whammy when it comes to energy, fuel prices and car insurance. Those issues have to be addressed. Some will have to be addressed by the devolved Administration, and there are Ministers working on the issues, here and at home, but there are also issues that can be addressed only at the level of the Westminster Government.

I hope that this debate will contribute to focusing the Government's mind on this serious problem. Some 83% of people in Northern Ireland go to work by car, van or minibus, compared with only 70% in the rest of the United Kingdom. That shows the rural nature of much of Northern Ireland, and the fact that we have an underdeveloped public transport network; for example, large parts of the west of the Province are not served by the railway network. Clearly, the car is therefore a necessity there, not a luxury.

Claire Perry (Devizes) (Con): The right hon. Gentleman and I normally talk about pig farming, but on this occasion, we can talk about the fact that in our very rural areas—particularly in my constituency of Devizes—the issue is the lack of competition among petrol stations and heating oil providers. None of us is on a grid; we are all reliant on heating oil. My area has similarities, in microcosm, with the right hon. Gentleman's area.

Mr Dodds: Absolutely. We in Northern Ireland have a higher dependence on off-grid energy supplies than other places in the United Kingdom, but there are many similarities. We in Northern Ireland have a unique situation: we share a land border with the Irish Republic. As the per-litre price for petrol is, on average, 5p cheaper in the Irish Republic—15p a litre cheaper for diesel—we have the problem of fuel smuggling, which costs the Exchequer about £200 million to £300 million a year. One way to deal with that is for the Serious Organised Crime Agency and others to be tougher in tackling the problem, but there also needs to be an extension of the rural fuel pilots to Northern Ireland. That would not only reduce the cost of petrol and diesel and boost the economy, but increase the tax take for the Revenue. That has been clearly shown.

People in my constituency tell me all the time that they are appalled by massive oil company profits; BP had profits of £3.2 billion in the second quarter of this year. They want those profits passed on to people in difficulties. They are appalled by the difference in petrol prices across the Province. They cannot understand why supermarkets—I will mention supermarkets—in my constituency charge one price in one area and another elsewhere, simply because they can get away with it. People in my constituency want the planned fuel duty increases for next year to be scrapped to boost the economy, reduce costs and boost the tax take, which is only at 66% today, compared with 81% in 2001-02; that shows that the current policy of ramping up tax and fuel duty increases is not working for the Government. People in my constituency want the measure of inflation used to upgrade fuel prices changed from the retail prices index to the consumer prices index, which is used for everything else.

4.13 pm

Martin Vickers (Cleethorpes) (Con): This is a vital debate that affects every household in the country. As an officer of the all-party group on fair fuel for motorists and hauliers, I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on securing the debate, and the Backbench Business Committee on recognising its importance, particularly as the call for a debate was supported by an e-petition—a valuable resource that the Government must be congratulated on introducing. This is not an anti-Government motion; I and other hon. Members who have signed it recognise the reality of the situation. Let us be honest: it is not the ideal time to suggest anything that will reduce the Government's income streams. We accept that we are in a financial black hole, but I pay tribute to the Government's handling of the nation's finances.

Damian Collins: Does my hon. Friend agree that something that would increase the amount in the nation's coffers and would be good for the haulage industry is the introduction of a levy on foreign lorries, which do not pay any UK taxes? That is particularly galling for hauliers in my Kent constituency, who pass by them on our motorways, knowing that they have made no financial contribution to them at all.

Martin Vickers: I entirely agree with my hon. Friend. My constituency, which I shall come on to, is another centre for the road haulage industry. It, too, would welcome such a proposal.

Unemployment in my constituency is above the national average, and incomes are below the national average. Much of the available work is seasonal, and jobs can be many miles away. For many people, travel costs are compounded by the Humber bridge tolls, but that is a debate for another day. My constituency not only includes the premier resort on the east coast, also known as Cleethorpes, but the industrial and port complex on the Humber bank, including oil refineries, which are major employers. Indeed, they are good employers that provide the area with much of its wealth, but today I am speaking for my constituents, who are finding travel costs an increasing burden.

My constituency is a major centre for the road haulage industry, which, needless to say, suffers from the present levels of tax and duty on petrol and diesel. That, coupled with the fact that there are many small towns and villages in the vast, rural areas that are a feature of Lincolnshire, means that people do not live close to their place of work or to the essential services that they need to access. Walking and cycling are not realistic alternatives.

Motoring taxes are a greater burden for people living outside major conurbations. The Countryside Alliance has produced figures that show that people in rural areas spent £1.34 per week more in petrol at the beginning of this month than they did at the beginning of the year. They also draw attention to the fact that an-above average number of low-income groups in rural areas are car owners, and that accounts for a much greater proportion of their income. The people I represent think that paying 60% of the cost of a litre of petrol in tax and duty is too much—it is unfair. I have said before in the Chamber that it is a risky business for Governments to talk about fairness, because it is human nature for someone to regard as fair what is beneficial to them, but to regard something as unfair if it benefits someone else.

What people do regard as unfair is the fact that, based on the most recent figures available, £31 billion per annum is collected in tax and duty. Total annual expenditure by the Department for Transport is only £23 billion, so they regard that as unfair.

Richard Fuller (Bedford) (Con): Does my hon. Friend agree that fairness is another reason people are animated by the debate, and support the motion? Too often under the previous Government, both with fuel duty and with council tax, people saw taxes go up year after year with no justification. It is the justification for the tax that is the source of the unfairness in this instance.

Martin Vickers: I entirely agree with my hon. Friend, who strengthens my case.

I was discussing fairness. In the two unitary authorities that cover northern Lincolnshire, it is estimated that constituents pay £167 million a year in motoring taxes, compared with the £95 million that is spent on roads infrastructure—again, that is clearly unfair.

Mr Watts: Will the hon. Gentleman give way?

Martin Vickers: I think that I am running out of time.

I said earlier that my constituency is a major centre for the road haulage industry. Most large commercial vehicles do about 8 miles per gallon. The planned increase due in January will add £15 a week to the running costs of a single vehicle, which will impact not only on individual businesses but on the supply chain. The Federation of Small Businesses has produced figures that detail the impact on businesses in that category.

I recognise, as I said earlier, that the Government must protect their income streams. There has been much talk in recent weeks about the 50p tax rate. That must be secondary to a reduction in car taxes. Very few people in my constituency can even dream of earning an income that would demand a 50p tax rate. I want to get rid of it as soon as possible, but now is not the time. Rural bus services have been reduced. The Government understand the impact on local people in northern constituencies in particular, and I urge them to act as soon as is practicable.

4.20 pm

Robert Flello (Stoke-on-Trent South) (Lab): I begin by adding my congratulations to the hon. Member for Harlow (Robert Halfon) on securing today's extremely important debate, which is long overdue. We have heard today of double whammies and triple whammies. I shall not go for quadruple or quintuple whammies, but simply point out that the price of fuel pervades every aspect of what we do.

Whether in a rural community or in a heavily urbanised community such as Stoke-on-Trent, everything happens because of the cost of fuel—constituents going to the local shop and travelling there by car or constituents going to work by bus are all affected by the costs of fuel. The goods in the shops will have got there by means of the haulage industry, and some of those goods will have come from the farming community that produced them. At some level, the cost of fuel will be a component of the cost of every item on the shelves.

John Glen (Salisbury) (Con): Does the hon. Gentleman agree that one group that is particularly vulnerable to the cost of fuel is the disabled? Those who are on Motability schemes, such as the constituent who contacted me, have no choice—they have to use their car and are therefore subject to the high cost of fuel.

Robert Flello: I could not agree more. All our poorest communities, whether they are people with any form of disability requiring a mobility allowance or special vehicles, or the poorest communities trying their best to get to work in difficult circumstances, are the people most heavily affected. The point was made earlier about who is paying the tax. It is being paid by the poorest. Who is not paying the tax? The oil companies and the speculators, who are taking the opportunity of the Arab spring and in some cases the continuing troubles to speculate a little more in the belief that the price will go up, until that becomes self-fulfilling. We end up with petrol prices continually going up, irrespective almost of fuel taxes. We should have a thorough root-and-branch review of that.

In the few minutes available to me, I want to turn my attention predominantly to the impact on the haulage industry and the associated industry, the road rescue services. I place on record my thanks to the Road Rescue Recovery Association, the Scottish Vehicle Recovery Association, the Road Haulage Association and the Freight Transport Association for the campaigns that they have been running, alongside the FairFuelUK campaign, and the pressure that they have been bringing to bear to get the issue debated seriously on the Floor of the House.

Lindsay Roy (Glenrothes) (Lab): Does my hon. Friend agree that the high fuel duty is having a particularly damaging effect on the construction industry, which is going through a difficult time at present?

Robert Flello: Indeed. Every aspect of what we do is affected by the price of fuel, whether at the pumps, domestically, or at the heavy duty pumps that the haulage industry and other industries use. All sorts of other issues then come into play. For example, hauliers will be looking to ensure that their vehicles are running as efficiently as possible, yet on the European stage there is the possibility of a reduction in the height of trailers to 4 metres, which will have a negative impact on our haulage industry in the United Kingdom, exacerbate the problem of the price of fuel and increase the need for a cut in the fuel duty.

As has been said, a temporary VAT cut would be absolutely the right thing to do to secure an immediate impact for the domestic motorist, but something different is needed for the haulage industry in the longer term. A VAT cut would obviously have a wash-through effect,

[Robert Flello]

but we need a more serious change and a restructuring of the way the fuel costs of the industry and associated industries are met.

Other factors that impact on the haulage industry, such as London's low emissions zone, also have a knock-on effect. I wish that Mayor Boris would respond to my letters and agree to meet to discuss the impact on the haulage and haulage recovery industries. It has a direct impact on fuel efficiency and keeping traffic moving on London's streets if vehicles that should be on the streets helping to recover other vehicles and keep traffic flowing are prohibited from doing so. That will of course become a greater concern in the run-up to the Olympics.

Indeed, other aspects of the price of fuel will affect the membership organisations—I will not name them—that come out when their members break down by the side of the road, and those organisations' costs are passed on to their members through the running costs of the yellow or orange vehicles that assist people at the roadside. That industry will also be hit by Green Flag's terrible announcement that it is devastating the number of contractors who work for it. Some of them will unfortunately end up unemployed.

Nia Griffith: Does my hon. Friend recognise the real danger to haulage companies from foreign competition because of the price differentials?

Robert Flello: My hon. Friend makes her point well.

In the 20 seconds remaining, I wish to make two points. First, instead of cutting the top tax rate of 50p for high earners, we should be helping motorists. Secondly, we should be looking at ways of taxing the speculators and the people who are making a profit from the ordinary motorist and make them pay instead.

4.27 pm

Andrew Griffiths (Burton) (Con): It is a privilege to follow a fellow Staffordshire MP in this important debate. I would like to join the long line of hon. Members who have congratulated my hon. Friend the Member for Harlow (Robert Halfon) on securing this hugely important debate. Few debates that have taken place in this House have prompted such a response from my constituents, and I have received numerous letters, telephone calls and e-mails asking me to take part. I congratulate the Backbench Business Committee, in particular, because this is a perfect example of the kind of issue that matters to our constituents and that we should be talking about in this House.

The Prime Minister said a little while ago that he wanted our country to be a nation that makes things. Well, my constituency of Burton makes things. I am proud to say that it is the home of British beer. We make diggers, car seats and produce many other things. I am proud of that and am doing my best to maintain it for the future, but those industries are being particularly badly hit by the massive hike in fuel prices in recent months. I think that this is the Economic Secretary's first opportunity to reply to a debate in the House and I am pleased to welcome her to her new post and wish her luck. I hope that she will have some positive things to say, because businesses in my constituency are saying that fuel price rises are having a real impact on their competitiveness.

Lilian Greenwood (Nottingham South) (Lab): Does the hon. Gentleman agree that one of the industries that will be hardest hit by the increases in fuel duty is the bus industry? Does he agree that it will be hit not only by two increases in duty next year, but by the Government's decision to cut 20% from the bus service operators grant? What impact does he think that will have on passengers?

Andrew Griffiths: I thank the hon. Lady for her intervention, but I am staggered by the collective amnesia on the Opposition Benches. I will gladly give way again if she can name a single time in all the years her party was in government when it cut fuel taxes.

Lilian Greenwood: My understanding is that on numerous occasions we decided not to press ahead with increases in fuel duty, and that had an enormous impact.

Andrew Griffiths: That point will not be lost on the House.

Something else that will not be lost on the House is the fact that this coalition Government took the bold steps to reduce fuel duty, to bring in the fair fuel stabiliser and to look at what we can do to help rural businesses. That is hugely important.

Mr Brian H. Donohoe (Central Ayrshire) (Lab) *rose—*

Sammy Wilson (East Antrim) (DUP) *rose—*

Andrew Griffiths: I will not give way again; I have given way a few times.

I must tell the House what motorists and families in my constituency tell me about the high price of fuel and how it is impacting on them. They, like the constituents of many right hon. and hon. Members, are suffering because they have had pay freezes and, in some cases, pay cuts, because of inflation, and because they have had to cope with large rises in electricity and gas prices. So spiralling fuel prices are starting to impact on their quality of life, and on their ability to survive in these difficult times.

More than one constituent has told me recently that they have had to choose between doing regular maintenance on their vehicle and filling it up every month to get to and from work and to pick up the kids. We have to look at the impact, because our constituents have only so much to spend on motoring every month and every year, and, if we do not do something to help them soon, they will have to find savings elsewhere, and that could affect road safety.

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): The hon. Gentleman is making a good argument for bringing down fuel prices. Will he therefore support Labour's plan to cut VAT?

Andrew Griffiths: I am sorry, but the hon. Lady's argument would have more strength if her party had done something to cut fuel duty when it was in power.

In the few minutes that I have left, I will raise an issue of particular importance to my constituents.

Nick Smith: Will the hon. Gentleman give way?

Andrew Griffiths: I have given way a number of times; I will continue, if I may.

I represent Uttoxeter, a fine market town situated between Stoke and Derby. It has a race course, and it is a great place to live and to do business, but my constituents have to pay 6p a litre more for their fuel than motorists who live just a few miles down the road in Stoke and Derby, because—I believe—of the supermarkets' power and their virtual monopoly on forecourts throughout the country.

I have already written to the Secretary of State for Business, Innovation and Skills, and he has advised me to write to the Office of Fair Trading to make an argument, but it is time we looked at how the supermarkets operate, because they have an anti-competitive effect on the market place and drive prices up. It will not be lost on colleagues that petrol companies quickly put up prices on the forecourt when there is an increase in the price of a barrel of oil, but are much slower to reduce them when the price of a barrel comes down. It is time that the supermarkets and the big petrol companies starting acting fairly towards our constituents, and I urge the Economic Secretary to do what she can to help.

4.33 pm

Stewart Hosie (Dundee East) (SNP): I congratulate the hon. Member for Harlow (Robert Halfon) on securing this debate. It is important, and he will know that in the previous Parliament there were a number of debates on the subject and a number of attempts in Finance Bills to introduce a fuel duty regulator—precisely the price stabilisation mechanism that he describes in the motion today.

Going back over such debates from the previous Parliament is quite instructive, because it tells us why there is such anger among the general public. In the report of a debate in 2005 we read that the price of unleaded petrol had risen to 86p a litre, a rise of 6p in six months; by 15 May 2008 it had gone up to something over £1.10 a litre; and by the time of the Finance Bill debate in July 2008 it averaged £1.32 a litre.

The underlying price is more intriguing, however. In 2005 Brent crude had risen to $60 a barrel, up a massive $10 on the previous year. By the time of the debate on the 2007 pre-Budget report it had risen to around $84 a barrel. In the run-up to the 2008 Budget the price was $94 a barrel. As someone mentioned earlier, prices crashed through and spiked at around $140 a barrel. This week the price has stabilised at $114 a barrel, but the price at the pump has risen inexorably.

From 86p a litre in 2005, diesel prices in Dundee this week had risen as high as 140p a litre—£6.40 a gallon. In the constituency of the Chief Secretary to the Treasury diesel was nearly 145p a litre—£6.60 a gallon. In Kirkwall, in the constituency of the Liberal Deputy Chief Whip, the right hon. Member for Orkney and Shetland (Mr Carmichael), diesel is 152p a litre—£6.90 gallon—and in the constituency of my hon. Friend the Member for Na h-Eileanan an Iar (Mr MacNeil) it is almost £1.54 a litre. That is £7 a gallon, so it now costs £90 to fill up the tank of the average family saloon car. One can quickly see why people are so angry.

In our past debates, we heard about support outside Parliament from many organisations. The Road Haulage Association said:

> "UK hauliers are struggling as never before to cope with continually rising fuel prices".

Nothing has changed. The National Farmers Union and the Scottish Fishermen's Federation said similar things. The Federation of Small Businesses said that it was

> "behind the introduction of any mechanism which automatically uses extra tax revenues…to reduce prices at the pumps".

And, my goodness, we need that now.

Sheryll Murray (South East Cornwall) (Con): The hon. Gentleman mentioned the Scottish Fishermen's Federation. Does he agree that many fishing vessels can reclaim the duty, so it does not affect them?

Stewart Hosie: Indeed, they can. What that organisation said at the time was:

> "Transport is…a vital component of the fishing industry and cost increases there have applied even greater pressure, felt more acutely by the more remote fishing areas of the North West and the Northern Isles."

I was paraphrasing what it said, as we have a whole four minutes each to speak. The point is that the response to spiralling costs under Labour was a fuel duty escalator, not a fuel duty stabiliser. The Labour Government set their face against every attempt to introduce a price stabilisation mechanism and, most cynically of all, increased duty to compensate for the temporary reduction in VAT.

The coalition's response was to introduce the "fair fuel stabiliser". That is what they called it. However, instead of using the windfall they already had from the North sea, they engaged in a smash-and-grab raid of £2 billion extra, with an increase in the supplementary charge. Hon. Members will remember that that led EnCore Oil to suggest that no tax would be paid on undeveloped and undiscovered oil. Other organisations said that very large projects were no longer viable because of the surprise Budget move. Chevron warned that the measure had

> "shaken investor confidence to the core."

Everyone was singing from the same hymn sheet except the Chancellor, who said that he

> "did not expect investment to be damaged."—[*Official Report*, 3 May 2011; Vol. 527, c. 604.]

Mr MacNeil: Does my hon. Friend agree that the Chancellor's reckless smash-and-grab of North sea taxation has endangered investment in Scotland?

Stewart Hosie: It has indeed. There were stark and powerful warnings from the sector at the time that went on for a considerable time, and forced some limited changes to the regime. In the cold light of day, this month, the Aberdeen and Grampian chamber of commerce, along with others, carried out a survey that revealed that:

> "50% of operators say Chancellor's tax hike harmed North Sea investment."

That policy did little to help the haulier and the motorist, but it did a great deal to damage the oil and gas sector.

Of course, it is not just the oil and gas sector and the traditional users of haulage who have been damaged. This week I have been contacted by a building company—a static business, not a haulage business—in my constituency, which told me that over the past few years, fuel as a proportion of its overheads has rocketed to 20%. We are

[Stewart Hosie]

not just causing inflation for goods that are moved, we are not just putting the haulage sector under pressure, we are not just making it difficult for people even to afford to go to work: the increasing cost of fuel as a proportion of overheads is driving other sectors to the wall too. These are very difficult times indeed.

This is only a Back-Bench debate—I am delighted that we have secured it—but the strength of feeling is very clear. There is now a body of opinion saying that constant high price rises, and the spikes in the price at the pump, are damaging the entire economy. I hope that the Minister is listening carefully to what has been said, and that action will be taken quickly.

4.40 pm

Fiona Bruce (Congleton) (Con): The high cost of fuel is impacting detrimentally on families, pensioners and businesses in my constituency, comprising as it does rural areas interspersed with market towns. I want to concentrate particularly on the small businesses in my constituency and the impact it is having on them.

In my constituency there are just a handful of large businesses, the largest of which employs just over 500 people, but there are 4,000 small businesses, which are therefore the engine of the local economy. For most of them, car travel and other vehicle travel is not an option but a necessity. As someone who has run a small business for 20 years, I know the reality behind the phrase "living on the margins". That is a constant reality for many small businesses today. Because transport costs are a substantial component of their outgoings, fuel price rises have eroded those margins to almost unsustainable levels.

Stephen Lloyd (Eastbourne) (LD): I share my hon. Friend's concern about small businesses, and I recently found a statistic of which she may not be aware. Over the past year the UK's 4.8 million small and medium-sized businesses have paid over £260 million more for fuel than they did only 12 months ago. Does she agree that sometimes the price of fuel becomes a step too far for small businesses?

Fiona Bruce: I entirely agree. Small businesses are being forced into an impossible predicament. Do they transfer the increased costs to their customers, do they lose their customers, or do they sacrifice the making of any profit just to keep going, which is not sustainable in the long term?

Esther McVey: We are talking about small businesses, which I too represent here today. In the Wirral there is the double whammy of not only increasing fuel prices but increasing toll prices. Marginal profit is completely wiped away when both of those are taken into account.

Fiona Bruce: My hon. Friend makes a very good point.

Let me give the House some specific examples of small businesses in my constituency that are suffering in that way. Smallwood Storage Ltd is a transport and storage business in Sandbach employing nine people. This week it told me:

> "We need a level playing field, the price of fuel has become too high as a percentage of our overheads and is out of proportion with the rates we charge. As a small business, we do not have the power of larger companies and are being squeezed from all sides."

Another local company, B Lakin Transport, a haulage businesses in Somerford employing 10 people, said:

> "Increased fuel costs have knock-on effects on everything...as the price continues to creep up, customers will go elsewhere and even look to foreign drivers who can use cheaper fuel from the continent; avoiding the extortionate prices in Britain."

It continued:

> "A driver from Luxembourg can fill up their petrol tank in Luxembourg at a fraction of the cost here. In October 2011, 1000 litres of unleaded fuel would cost £1130 in Luxembourg compared to £1350 in the United Kingdom—that's a saving of £220 each time the tank is filled."

Let us remember that haulage competitors from Luxembourg can fill their tanks there, drive to the UK and then return to Luxembourg without having to fill up here at all. B Lakin Transport tells me:

> "Combine this with the exemption from road tax for foreign drivers, and we are clearly at a significant disadvantage to these foreign drivers from the outset."

Mr Watts: Does the hon. Lady agree that it is very important that we are honest with the British public in saying exactly what sort of cut we are looking for? I expect that the level that the Chancellor will look at will be a lot less than is being suggested here today.

Fiona Bruce: Through the motion, we are asking the Government to explore a number of ways in which they could assist small businesses, such as the ones that I am describing, with this predicament.

I will cite another business in Cheshire. It is not a small business, but it is an interesting comparison, because it is not a haulage company. Roberts Bakery is a large family business that produces bread in Northwich, just outside my constituency. Just yesterday, it informed me that the increase in fuel prices since last year alone has added £10,000 a week, or £500,000 a year, to its delivery costs. That is a serious additional overhead for such a family company.

The price of fuel is hindering such businesses from playing their essential role in the economic recovery and job creation that we so desperately need in this country. It is effectively pricing UK businesses off the road, driving people out of work, preventing companies from taking on and holding on to contracts, and fuelling further economic difficulties.

I signed up to support the motion, and I applaud all the other Members who have done so. I ask the Government to consider as a matter of urgency the impact that high fuel duty rates are having on local economies such as the one in my constituency, and to take action to address the issue accordingly.

4.46 pm

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I congratulate the hon. Member for Harlow (Robert Halfon). I rise to speak on behalf of my constituents who have expressed to me their deeply held views about the rising cost of fuel.

People are angry in unprecedented numbers right across my constituency. The same is true throughout Britain. At my weekend surgeries there has been a steady flow of constituents who have not held back from telling me what causes the most hardship in their domestic finances. One of the dominant themes is rising petrol pump prices, which are a constant weekly battle for motorists.

Mr Donohoe: I understand that my right hon. Friend has an Asda in his constituency. Asda has introduced a price of 128.9p per litre across the whole nation. Surely if the Government are to do anything, it should be to reintroduce universal prices for petrol. He is old enough, as I am, to remember when we had those.

Mr Clarke: I am grateful to my hon. Friend. I have a big constituency, which stretches from Cumbernauld right through to Chryston, Coatbridge and Bellshill. The prices at Asda, welcome as they are, do not deal with the problems elsewhere.

These are truly worrying times. We have sluggish growth, rising unemployment, falling confidence in the manufacturing sector and depressed business confidence, so this is no time for complacency from the Government.

By September 2011 the cost of petrol had increased by 17.7% in a year. Our constituents are now paying petrol prices that are the highest in all 27 countries of the European Union. The only country in the world that seems to beat us on motoring taxes is Turkey.

Andrew Griffiths: The right hon. Gentleman is making the point that we are the most expensive country in Europe. Will he tell us when our prices became the highest in Europe?

Mr Clarke: We are where we are.

What the Chancellor does on fuel duty increases next year could make or break many people's ability to go about their everyday lives, whether they are looking after their family or running a business. Failure by the Government to take effective action would mean winding the clock back on travel and mobility to a time when the freedom of the road was the preserve of the middle class. That cannot be right or fair. It would be a retrograde step for my constituents and would place their finances in an intolerable position.

With 80% of the population living in a car-owning household, a car is now a necessity, not a luxury. Unlike here in London, where vast transport links provide the necessary infrastructure for people to live their lives effectively, in constituencies such as mine people use and rely on their cars daily. Lower-income families, elderly people and those living in rural areas will be the most adversely affected and hit by rising fuel prices. In September, the then Secretary of State for Transport suggested that the railways had become a rich man's toy. If that is the case, how can the Government's policy, which is allowing exorbitant fuel prices literally to drive people off the roads, be justified?

Despite the Government's seemingly generous gesture of a 1p cut in fuel duty, the public will simply not be fooled. The simultaneous increase of 2.5 percentage points in petrol tax that accompanied the VAT rise from 17.5% to 20% in January makes a mockery of the Government's proposal. Their meagre attempt to placate motorists will benefit only the Treasury.

The fuel duty stabiliser has not shielded drivers from pump price volatility. That is why I believe that the Government need to take real urgent action now to help ease the squeeze on struggling families and kick-start the economy by temporarily reversing the VAT increase.

Karl Turner (Kingston upon Hull East) (Lab): Will my right hon. Friend give way?

Mr Clarke: I am sorry, but I will not.

I know that when times are tough, tax revenues are seen as vital to the Treasury. My constituents know that, too, because most of them have been through tough times. However, let us be clear that those revenues cannot be loaded on to the backs of the poorest and most vulnerable in our society. It is they who are suffering most from rising fuel prices, and it is for them that the House ought to speak tonight.

4.52 pm

Andrew Bingham (High Peak) (Con): First, I add my congratulations to my hon. Friend the Member for Harlow (Robert Halfon), who is no longer in his place, not only on securing the debate but on the tenacious way he has pursued the issue relentlessly since his election last year.

I rise to support the motion and highlight the extra impact of fuel prices on High Peak. We have a large number of quarries, all of which produce the finest quality limestone in the country. That limestone has to be moved by road or rail, but predominantly by road. Quarries have to be where the stone is, so they cannot be moved around. I wish to tell the House a short tale about a constituent of mine, Mark Pearson, who operates his own wagon. He is a single operator who carries 17.5 tonnes of limestone with every load. In the past three years his fuel bill has increased from £1,600 a month to £3,200 a month. That huge increase in his overheads has to be borne by somebody, whether by Mark himself or the end users of the stone. Such overheads will restrict employment and business growth.

Karl Turner: The hon. Gentleman makes a powerful point on behalf of his constituent, who is clearly being squeezed. Did he bother to ask his constituent how much the increase in VAT is costing him?

Andrew Bingham: As I am sure the hon. Gentleman is aware, many businesses are registered for VAT and so will be able to reclaim it. It is the other tax that is the addition to their costs.

Karl Turner: What about his employees?

Andrew Bingham: If the hon. Gentleman had been paying attention, he would know that I said my constituent was an owner-operator with his own truck.

Andrew Percy: If that owner-operator did have employees, does my hon. Friend think that he would be happy with the six planned rises under Labour?

Karl Turner: What about VAT?

Andrew Percy: Does my hon. Friend think that those pretend employees would have been happy with the fact that the previous Labour Government escalated the fuel escalator?

Madam Deputy Speaker (Dawn Primarolo): Order. We cannot have shouting across the Chamber. It is absolutely unacceptable, Mr Turner. We will have proper debate.

Andrew Bingham: My hon. Friend makes an excellent point, as he always does.

High Peak businesses suffer from rurality. We are midway between Sheffield, Manchester and Derby. The distances from our businesses' customers and their suppliers mean that bringing goods in or sending them out costs more. My big concern is that as increases in fuel costs are borne more and more by local businesses, they will eventually say, "Enough is enough" and move out of the countryside into urban areas, further exacerbating the difference between the rural and urban economies.

We must remember that families are affected too. Although I understand that this debate is predominantly about fuel costs, I have to mention the increased energy costs that families are having to bear at the moment. I venture to suggest that High Peak is probably the coldest constituency in England. We have had a cricket match snowed off in Buxton in June, so we feel the winters, which are deeper and longer. That puts a further burden on family budgets.

Other Members have made the point that increased car use is required in rural areas. The proportion of households without a car in London is 43%, while in metropolitan areas it is 31%. In rural areas, only 10% of households do not have a motor vehicle. The reason is—

Lilian Greenwood: Will the hon. Gentleman give way?

Andrew Bingham: No, I am going to move on, if the hon. Lady does not mind, because we are short of time. Also, I note what the former occupant of the Chair said about those making interventions not being called to speak, and I would not like to deprive the House of her speech later on.

When public transport links are not as good, a motor vehicle becomes a crucial part of family life. Someone spoke earlier about four-wheel drive vehicles. I understand the image they have as Chelsea tractors, but we should remember that sometimes four-wheel drive vehicles are vital in rural areas, as they are the only way that people can get about. As for public transport in my area, anyone who wanted to travel between the two major towns of Glossop and Buxton by bus would need to take a meandering route through New Mills, Whaley Bridge and Furness Vale. A car is the best way.

I believe that one day vehicle movements will perhaps fall slightly as communications improve, but broadband in rural areas is not as fast as it is in urban areas. That reduces people's ability to work from home, which means that they have to travel to work, again putting more pressures on budgets. Cities and urban areas have faster broadband, better public transport and, more often than not, a better climate. In High Peak it is colder for longer, we have fewer public transport options and families and businesses need to travel further.

Given that I still have about one minute, I shall mention one further aspect. Local mountain rescue teams are staffed by volunteers who use vehicles, but also pay duty. I give hon. Members the image of a cold, snowy mountain in High Peak, with a sheep in one field and a human being in another, and a farmer going to save the sheep and a mountain rescue team going to rescue the human being. Which one pays less for fuel? The farmer will quite rightly use red diesel and pay no duty; the mountain rescue team, as a not-for-profit group of volunteers saving a human life, is faced with paying all the duty on that fuel. However, that is a debate for another day. I put my hon. Friend the Minister on notice that I keep putting in for a Westminster Hall debate on the issue. I hope that one day I may get lucky.

To sum up, rural areas face the challenges of using more fuel, and in High Peak we pay more.

4.58 pm

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): I, too, welcome this debate, which gives Members the opportunity to discuss an issue that is close to our constituents' pockets. Like many others, my constituency is a mixture of the urban and the rural, and everyone is feeling the pressure at the pumps. Today's motion was necessary to create the opportunity for this debate, but sadly it omits some crucial aspects. I am disappointed that the amendment in the name of my hon. Friend the Member for St Helens North (Mr Watts) was not selected, because it would have filled the debate with all the pertinent issues that we need to discuss.

During the speech by the hon. Member for Harlow (Robert Halfon), his bipartisan mask slipped as he made certain political points about the motion. My constituents want to know how the Government plan to tackle the high cost of fuel now. They also want to hear the longer-term plan to enable the country to become less dependent on petrol and diesel. The hon. Gentleman purports to be a champion of the consumer's cause, but although this debate partly covers the issue, important facts have been left out and the bigger story remains untold.

John Peel said:

> "I never make stupid mistakes. Only very, very clever ones."

I wonder whether the hon. Gentleman has indulged in John Peel's rhetoric in the motion. It contains faint praise for the Government's austerity programme, yet that programme is a significant part of the problem, rather than part of the solution, because it goes too far and too fast. Also, there is no mention whatever of the whopping 20p a gallon on the price of fuel following the latest VAT rise.

Gareth Johnson (Dartford) (Con): Is the hon. Gentleman aware that the Labour Government increased the cost of petrol no fewer than 12 times? We would not be having this debate if that had not happened.

Mr McCann: I am grateful to the hon. Gentleman for giving me an additional minute. I remind him that it was a Conservative Government who introduced the fuel duty escalator.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): On that point, I was looking at the AA website this morning and comparing unleaded fuel prices in my region of the north between May 2006 and May 2010. Over that four-year period, the price increased by 24.2p, yet in just one year between May 2010 and May 2011, we have seen a 16p jump. That is two thirds of the increase that we saw under four years of a Labour Government.

Mr McCann: That gives us the real picture. I shall say more about that in a moment.

My constituents know that the price of oil is linked to the complexities of production, of exchange rates and of international stability, and that interference in one or more of those factors can cause prices to spiral out of control. They lose comprehension, however, when they see little evidence of price reductions when those factors are reversed. I remember well that in 2008 the price of oil was $147 a barrel and the price of unleaded in my town was £1.15. Yesterday, the price of oil was $114 a barrel, and the price of petrol £1.35.

Mr Watts: Will my hon. Friend give way?

Mr McCann: I have already taken a couple of interventions. If my hon. Friend does not mind, I want to allow a couple of other Members to get in.

We need some answers from the Minister to explain the phenomenon that I have just outlined, because the public just do not understand it. If this debate is to have any credibility, it also needs to address some other issues. I do not believe the hon. Member for Harlow's simplistic proposal that reduced prices will bring in more income. If he believes that we need to reduce fuel duty, he must tell us where the resulting cuts would be made. Or would he advocate increasing other indirect taxation, or direct taxation, to fill the gap?

Robert Halfon: I thank the hon. Gentleman for giving way, and for signing the motion. As I mentioned earlier, the AA has proved that the Treasury is getting £1 billion less in revenue because of the high cost of petrol. People are unable to afford to drive their cars, and the Treasury is therefore losing money. If we cut taxes, more money will go into the Treasury.

Mr McCann: That is the same explanation that the hon. Gentleman offered before, but I still do not understand it. I signed the motion because it was the only way of getting an opportunity to discuss this issue, which is important for our constituents. I would have preferred that the amendment tabled by my hon. Friend the Member for St Helens North—*[Interruption.]* Well, the hon. Member for Harlow is going to have to tell us how he proposes to fill the gap if fuel duty is cut. And if he believes that the gap does not need to be filled and that we should be taxed less, he will have to tell us what public services would suffer as a result.

A former Member of this House was once described as a vacuum surrounded by charisma. I think we all hope that, at the end of the day, this debate will not become a vacuum surrounded by synthetic anger.

5.4 pm

Mr Robin Walker (Worcester) (Con): I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on his passionate speech, on his many campaigns on this issue and on securing this debate, and I welcome the huge interest and support across the House for it. The price of fuel remains, week in, week out, one of the most important and pressing issues raised by people in Worcester. It is an issue on which I, like many other hon. Members, am determined to see real progress.

I wholeheartedly support today's motion and was proud to put my name to it as a long-term advocate of fuel price stabilisers. I want to put forward one more argument for action that has not been sufficiently covered in this debate and I want to raise a couple of further concerns, which I hope the Minister will be able to respond to in her reply.

As my hon. Friend the Member for Cleethorpes (Martin Vickers) set out and as the hon. Member for East Kilbride, Strathaven and Lesmahagow (Mr McCann) acknowledged, the Government have to pay attention to balancing the budget. The motion notes, however, that fuel duty revenues are lower now than they were in 2008 despite the fact that the level of taxation has increased since. In my view, that makes but understates the case for rethinking further increases. As I have argued in Westminster Hall debates, that case was admirably set out by the Office for Budget Responsibility when it first looked at, and then rejected, the idea of a fair fuel stabiliser. It concluded that although higher prices added to Government revenues in the short term, by increasing the take from fuel duty, their longer-term impact was to reduce Government revenue through the combination of discouraging usage and the wider negative impacts of high fuel costs on the economy. Although the OBR used this argument to reject the original plan for a stabiliser, I have said many times that the logic of its argument is that lower fuel duties could result in higher tax revenues, and I am happy to put that case again today.

We should look not only at the impact on fuel duty receipts themselves, substantial though they might be, but consider the effect of sky-high prices on business profits and thence corporation tax, their impact on the rate of inflation and thus the rate of increase in costs to Government in everything from wage inflation to benefit uprating. We should consider the depressing impact of high fuel costs on the whole economy and in particular on business and enterprise.

Mr Graham Stuart (Beverley and Holderness) (Con): Does my hon. Friend agree that it is a central Conservative insight that we can lower the rate and up the take so that small companies in rural areas such as mine are able to do more work, earn more, pay more tax and keep the economy going?

Mr Walker: I completely agree with my hon. Friend. This is one great advantage of cutting fuel duty rather than cutting VAT, which Labour Members argue for.

Mark Pawsey (Rugby) (Con): I would like to make the point that a lot of freight companies are filling up on the continent. If we reduced the amount of duty,

[Mark Pawsey]

particularly on diesel, they would be encouraged to fill up in the UK, which would bring additional revenue to the Exchequer.

Mr Walker: My hon. Friend brilliantly pre-empts my next point. I was going to say that most business users also use diesel, which, as my hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) pointed out, is an important issue. One concern I particularly wanted to raise is the fact that diesel in this country is so much more expensive than anywhere else in Europe. I am told that this is not simply a matter of taxation as the rates of fuel duty are set equally for unleaded petrol and for diesel, but of refining capacity, which the hon. Member for Ynys Môn (Albert Owen), who is no longer in his place, also mentioned. Also relevant is the fact that North sea oil has traditionally been better suited for the production of unleaded petrol than for diesel. However, it does seem extraordinary that one can drive across most of Europe seeing prices for diesel consistently lower than those for unleaded, only to arrive in this country and find that there is a 7p differential in the other direction. In fact, we are one of the few countries that treats diesel and unleaded exactly the same for tax purposes, and many others, including France and Spain, tax diesel much less than we do.

Perhaps I should declare an interest at this point as the driver of a rather battered Y-registration diesel Golf with more than 150,000 miles on the clock, but my prime interest is that diesel tends to be the fuel of choice for business users and the freight and haulage industries. Its cost and the extent of taxation on it thus have a more direct impact on our economy and on prices in the shops than does unleaded petrol. Given the importance of diesel to business and the economy, will the Minister give special consideration to steps that could be taken to encourage the closure or reversal of that price differential, whether it be directly through fuel duty or indirectly through encouraging investment in refining capacity.

Like others, including my hon. Friend the Member for Wyre Forest (Mark Garnier), I am very concerned at the wide geographical price differentials within the UK. Although many have argued that this is a matter of rural sparsity and have put the case for a rural fuel derogation, which I accept, I want to put the case for urban centres such as Worcester that find themselves paying a higher price for fuel than their neighbours or competitors.

Mr McCann: Is the hon. Gentleman against a free market in the fuel industry?

Mr Walker: I was just coming on to that, but I am very much in favour of the free market and want to encourage competition.

A glance at petrolprices.com shows the average price for diesel in Worcester yesterday was 142p compared to 139p in Cheltenham or 140p in Birmingham—two cities that it sits between. For the lowest priced unleaded, however, the differential increases from that 2p or 3p to a staggering 5p, with Worcester drivers paying 134p compared to 129p in Birmingham or Cheltenham. My constituents regularly raise concerns about that. They fear that there is insufficient competition affecting prices in Worcester. I realise that it is not the Minister's job to set prices everywhere in the country, but I would appreciate a reassurance from her that the Government are determined to see active competition between retailers, and are doing all they can to stimulate it.

Other Members have mentioned supermarkets. I have been led to believe by constituents that Tesco and Sainsbury have changed their policies, and that rather than trying to be the lowest-price retailers of petrol in any given area, they now aim to sell at the average price for the area. Their purpose may be to prevent accusations of predatory pricing, but this is a very counter-productive way of doing that. I hope that the arrival of a new Asda store in Worcester next year will increase competition in the area.

Like many other Members, I am worried about the fact that constituents who need their cars to travel to work, and businesses in my constituency that need to use road transport, are paying too much for their fuel, and that too much of that cost consists of tax. I welcome the steps that the Government have already taken to protect our economy from the previous Government's planned increases, the fact that fuel is 6p cheaper now than it would have been otherwise, and the Chancellor's declaration that he wants to

"put fuel into the tank of the British economy."—[*Official Report*, 23 March 2011; Vol. 525, c. 966.]

I believe that it has never been more important to do so, and I commend the motion to the House.

5.11 pm

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): I congratulate the hon. Member for Harlow (Robert Halfon) on securing the debate. I was pleased to sign the motion, and to support his application to the Backbench Business Committee.

I have seldom witnessed so much unanimity across the Chamber, and I think that that is a sign of the seriousness with which people out there view the fuel situation. For a long time, my party—along with our friends in the Scottish National party—has argued in favour of some form of stabiliser. We tabled amendments to Budget motions in 2005 and 2008, and received support from outside organisations including the Freight Transport Association, the Road Haulage Association, the Federation of Small Businesses, and farming unions such as the National Farmers Union and the Farmers' Union of Wales. Along with our colleagues in the SNP, we held an Opposition day debate on this matter in February this year, before the 2011 Budget in March.

According to the FairFuelUK campaign, fuel accounts for over 40% of all business transport costs. It is clear that continuing rises in fuel costs as a direct result of fuel duty rises will increase the pressure on companies that are already struggling to stay afloat, or perhaps already going under.

Roger Williams (Brecon and Radnorshire) (LD): I agree with the right hon. Gentleman about the effect of high fuel prices on businesses. One way in which businesses can deal with it is by upgrading their fleets so that their lorries become more fuel-efficient, but that will not be possible if the current proposal to phase out 100% capital allowances is implemented.

Mr Llwyd: It is difficult enough to find a bank that will provide the money in the first place—when it rains, the banks want their umbrellas back—but I take the hon. Gentleman's point.

Of course, it is not just businesses that are suffering. Families have been gravely hit by the rise in fuel prices, and, as has already been pointed out, fuel duty has a disproportionate impact on those who are least able to pay it.

Mr Watts: Does the right hon. Gentleman agree that the difference between this and earlier fuel price rises is that the Government's present policy is to impose a pay freeze, while also allowing inflation to run at 5%? Families are being hit by the treble whammy of higher prices, inflation, and the increased price of petrol and other fuels.

Mr Llwyd: That is true. As we heard earlier from the hon. Member for Ynys Môn (Albert Owen) and others, families are being squeezed from all directions. According to figures issued yesterday by the Office for National Statistics, the poorest 20% of households pay proportionally twice as much in duty as the better off.

In rural areas such as my constituency, the cost of running a car is as important to people as their food budgets, because they cannot do without a motor vehicle. We have proposed the introduction of a fair fuel duty regulator that would prevent unexpected spikes affecting people at the pump through increased VAT, which is then pocketed by the Treasury. We suggested that an estimate be made of the fuel price over the coming six months, showing the amount of revenue that the Government would expect to receive, and that a cap be imposed if the price reaches an upper limit and VAT and fuel duty be frozen until the end of that period. The Government would, of course, receive their predicted amount, rather than a windfall from consumers who are already squeezed by the price hikes and unable to spend their income elsewhere.

Unfortunately, the then Labour Government in London stubbornly ignored the problems of rising fuel prices, and the motions in 2005 and 2008 addressing the issue were defeated. The Conservatives abstained in the vote on the 2008 Finance Bill, but decided only a few weeks later—in July 2008—that they would support a fuel duty stabiliser, a move that we welcomed at the time, believing that if they came to office they would introduce a mechanism similar to that we had been advocating. Sadly, when the matter was put to the vote in February this year, the voting pattern was reversed: the Conservatives and Liberal Democrats voted down our motion, while the Labour party abstained. This ever-changing position on a fuel duty stabiliser shows the political expediency of many politicians.

In March 2011 the UK Government cut fuel tax by 1p per litre and delayed some future rises, but the VAT increases have had a significant impact on prices. We voted against that move in summer 2010 and recommended a cut in June this year. The stabiliser model that we suggested is not the one that has been introduced by the UK Government, and it is clear that the problem has not yet been solved. Two further duty rises are scheduled for 2012, which could have dire consequences for business and motorists alike, especially given the ongoing economic difficulties, which are not likely to be solved in the near future.

We therefore need an effective and fair fuel duty stabiliser, and we must also look at pricing in rural areas. We must address the amount of VAT being levied, too. Most importantly however—and moving away from the impact of future fuel duty price rises—we also need to invest in renewable energy alternatives, to reduce our reliance on oil and other fossil fuels.

I heard the arguments about so-called Chelsea tractors. Where I live such vehicles are an absolute necessity—although they are often more downmarket than most Chelsea tractors. When I drive around the country, I have to do so because I cannot take public transport. In London and other conurbations, including Cardiff and Swansea, there is a choice. We need to make that choice viable. We urgently need to address this issue.

5.47 pm

Dr Sarah Wollaston (Totnes) (Con): When Labour came to power in 1997, fuel duty stood at 36.8p per litre. When it left office in 2010, the price was more than 57p per litre—"a pain in the gas" as they say in the United States. I therefore welcome the early and decisive action taken by the Treasury in taking 1p off fuel duty, scrapping the duty escalator and delaying the 3p per litre rise. Many Members have today made a compelling case for why we now need the Treasury to go further, however.

I represent a large rural constituency in south Devon, and having a car in order to get to work or exercise choice in education is not a luxury; it is an absolute essential. My constituents spend a far greater proportion of their disposable income on fuel than those who live in cities.

A further 3p rise in January would not just hit householders, however; it would hit essential local businesses, too. Some 65% of all the UK's groceries are delivered on retread tyres produced by a company in my constituency: Bandvulc tyres. It also exports to cities across Europe. It is a significant employer and wealth generator, but a 3p a litre rise in fuel duty would cost it an additional £24,000 a year, because it uses more than 500,000 litres of fuel a year. It is a family-run manufacturing business producing a sustainable product and creating local jobs. It wants to stay in Devon but knows that it would make economic sense to relocate part of its business to eastern Europe as a result of the fuel duty rise. There are similar examples among other businesses in my constituency.

Another very important sector in my constituency is tourism. I am talking about businesses such as Sharpham wines and cheeses, which attracts 7,500 tourists a year and employs up to 40 people. More importantly, it is in the top six wine producers in the UK and it is another wealth creator that exports across Europe. That business spoke of the ripple effects of a further rise in fuel duty, as did many others. A business that I visited last week, Palladium Building Supplies, told me of the knock-on effect to the entire building industry across south Devon that there would be if we go ahead with this rise.

Mel Stride (Central Devon) (Con): My hon. Friend is making a powerful point about the effect on businesses. Does she accept that not only are these high fuel prices damaging businesses, but that, in turn, that is leading to less revenue to the Exchequer, because businesses are becoming less profitable?

Dr Wollaston: My hon. Friend makes an excellent point. This is about whether a 3p a litre increase will generate any income. Many of my constituents feel that it will lead to a drop in income, because they will simply not be able to fill up their cars.

Jo Swinson (East Dunbartonshire) (LD): I agree with the hon. Lady's case, which has been made by others, that the Government need to take account of the impact of the high price of fuel and the hurt it is causing to families, individuals and businesses. She mentions an important short-term measure, but does she agree that in the medium and long-term it is also important that the Government take action to reduce our dependency on oil, the price of which is only likely to rise, and look towards investment in things such as electric cars and charging infrastructure across the country, so that we will be set for the rest of the 21st century?

Dr Wollaston: My hon. Friend makes a good point. Indeed, one organic business in my constituency said that it would find a rise more acceptable if it could be seen directly as a green tax. Unfortunately, that is not the case. In my constituency, people will be badly hit by a double whammy, in that the bus service operators grant is set to be reduced by 20% next year. Just when they cannot afford to use their cars, people are being hit by a real threat to rural bus services, which are already at a critical level in south Devon. I hope that the Minister will set out what proportion of the rise will be set aside for green taxation purposes.

Priti Patel (Witham) (Con): Does my hon. Friend agree that the points she is making show precisely why motorists need to see greater transparency in how fuel prices are determined? I am thinking, in particular, about the disparity between pump prices and the price of oil.

Dr Wollaston: I fully support that, because in south Devon those on the lowest incomes will be hardest hit. They will be spending yet more of their disposable income on fuel or they will be waiting at the side of a road for a bus service that can no longer afford to operate.

5.22 pm

Fiona O'Donnell (East Lothian) (Lab): I will keep my remarks brief and the reason for that makes me rise to my feet with a rather heavy heart. The reason is that I want to hear more Government Members speak, because they are playing us off the park today; their damning analysis of the Government's lack of strategy for economic growth far exceeds the efforts of those of us on the Opposition Benches. It is almost incredible listening to them. We would not believe that they are in government; it is as if somebody else did this.

I would not go as far as to say that I rise to bury the motion, but I certainly do not rise to praise it. *[Interruption.]* These are the benefits of a classical, if comprehensive, education, which some Government Members may have had. I rise because many of my constituents have been in touch with me in support of this campaign. I have to say that I have gone back to them trying to dampen down their expectations. What we actually have before us reminds me of when my children have done something really bad and they are working up to telling me. They say, "Mummy, I love you. Mummy, your hair looks really nice today. Mummy, I have been really good" and that seems to be the approach of the motion. It is almost simpering in the way in which it cosies up to the Government, praising them for action which it then goes on to identify has clearly failed in its objectives. These are objectives that my constituents want. I have been back to my constituents and pointed out the strong language of this motion, which acknowledges the problem, "notes" there is a wee bit of a problem and "further notes" the problem. It says that all this will be considered and, best of all, says that all this is being done in the name of "sustainable growth". I presume that means keeping it low, with no growth at all, because that is what the Government are delivering.

Several hon. Members *rose—*

Fiona O'Donnell: I shall not give way at this point because I am keen to make progress and allow others to contribute.

My constituency is largely rural and my constituents rely heavily on their cars not just to get to the shops but to engage in the big society—to take their daughters to Brownies and their sons to Scouts, or their sons to Brownies and their daughters to Scouts. They go out to reach the cheaper petrol at Asda up at Dunbar. That is the reality of living in East Lothian. My constituents suffer a double whammy and I find it really hard to listen to the hon. Member for Dundee East (Stewart Hosie) going on about what this Government have not done, because another Government could do something to make things easier for my constituents to get around East Lothian—the Scottish National party Government in Holyrood could re-regulate the buses.

Mr MacNeil: Will the hon. Lady give way?

Fiona O'Donnell: No I will not. The hon. Gentleman should sit down and listen to what I am going to say before being so eager to get to his feet. He should let me finish this point.

The Scottish Government could have re-regulated the buses so that we could have a service in East Lothian that meets the needs of my constituents, instead of meeting the party election funding of the SNP Government. They have not taken advantage of that option, so in East Lothian we have the double whammy of rising prices at the pumps and a poor local bus service that is being further cut by an SNP council.

Mr David Hamilton (Midlothian) (Lab): As my hon. Friend's neighbour in Midlothian, and given that 56% of our people travel to work in Edinburgh every day, may I say that bus availability is a really big issue? The re-regulation of bus services is key, but the only people who can do that are that lot over there on the SNP Benches.

Fiona O'Donnell: My hon. Friend and neighbour is absolutely right. The SNP should stop talking about what they want other people to do and which other powers they want and instead start using the powers they have.

Mr MacNeil: The hon. Lady has to ask herself whether she wants the Conservative Government here in Westminster to have taxation powers over Scotland or whether she wants Scotland's powers back in Scotland at the Scottish Parliament.

Fiona O'Donnell: That is not the only choice. I want a UK Government who do the best for all the people in the UK—not just those in the Western Isles, Glasgow and Edinburgh, but those in Liverpool and London too. I note that the hon. Gentleman did not say why his party in Holyrood did not support a private Member's Bill to re-regulate the buses. He should stop whingeing about what he cannot do and start doing something with the powers he has.

Mr MacNeil: Will the hon. Lady give way?

Fiona O'Donnell: No; the last interruption was not very satisfactory—I am not taking another risk.

I find myself in a familiar situation. I spoke in a similar debate not very long ago about a haulage company in East Lothian that was about to go bust because of fuel prices. I remember an hon. Member from somewhere on the Government Benches saying something about claiming back VAT. Unfortunately, I did not realise at that time that the company was not even registered for VAT, so that was not an option. The company has gone out of business and those jobs have gone. Others in East Lothian are trying to find work but the reality is that those jobs as a rule are not in the county—they are in Edinburgh. Given the poor local provision of public transport, they are forced to take to their cars. That is a real problem for making work pay for my constituents. If the Government are serious about getting people back to work they have to enable rural communities.

I am sorry that the hon. Member for Penrith and The Border (Rory Stewart) is not here. His contribution was not so much a speech as a postcard from some rural fantasy that he sent to the House. He spoke about how important this debate and this motion are, but I remember the last time there was a debate on this issue in which the will of the House was unanimously expressed—

Madam Deputy Speaker (Dawn Primarolo): Order.

5.29 pm

George Eustice (Camborne and Redruth) (Con): I welcome this debate, and I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on securing it. I also welcome some of the very good actions that the Government have taken to date, most notably the suspension of the fuel duty escalator, the cut in fuel duty, and the rural rebate that is being considered, which we hope will be piloted in the Isles of Scilly, not far from my constituency. I agree with the many Members who have said today that fuel tax is a regressive tax that tends to hit the poorest, and rural areas, hardest.

Sheila Gilmore (Edinburgh East) (Lab): I find interesting the discovery by Government Members, including the hon. Gentleman, that taxes on spending are regressive. When that argument was about the increase in VAT, it seemed to be ignored, so has he changed his mind on VAT, too?

George Eustice: The issue of VAT has been covered widely by others. I would just say that I think all Government Members regret the fact that the Labour party made such a pig's ear of running the economy that we had a £150 billion black hole in our finances.

I would like to focus on a separate but linked fact: fuel tax has a disproportionate impact on areas that are geographically peripheral. I come from Cornwall, and there is no doubt that fuel tax is a regressive tax that hits Cornish businesses far harder than businesses in the main population centres.

Glyn Davies (Montgomeryshire) (Con): I am grateful to my hon. Friend for giving way, because the issue is particularly important in my constituency too. High fuel prices act as an anti-regional-development policy. Not only are they a cost on business, but they discourage business from locating in certain places. They work very much against the thread of Government policy in other areas.

George Eustice: I completely agree. That will be the main thrust of what I say. I was in business in Cornwall; indeed, on many occasions, I drove a lorry that took our excellent Cornish strawberries to Birmingham. The reality is that Cornwall is 300 miles away from London, and 260 miles away from Birmingham. We have to drive the best part of 100 miles just to get to the seat of my hon. Friend the Member for Totnes (Dr Wollaston). Let us look at how that translates into tax. A typical 16-tonne lorry doing a round trip to London would incur, in total, tax of £220, just on that one trip. Let us compare that with a lorry driving from Birmingham to London: the tax taken for that would be only £80. A similar operation in Cornwall has to pay three times more tax. That is unfair, and it is felt acutely by businesses in the primary sector, particularly in areas such as fishing and farming, in which Cornwall has a comparative advantage.

If we are serious about developing a regional policy, we have to help the most peripheral regions to develop industries and jobs in the sectors in which they have a comparative advantage. The irony is that places such as Cornwall have EU grants to help develop businesses in the areas where we have strengths, which include food processing, farming, and green energy. The regional growth fund has a similar purpose. We are undermining those efforts by having a regressive tax through high fuel duties. The impact is to compound the single most important disadvantage that the regions have, which is their distance from the market. As I say, that is particularly noticeable in Cornwall. Our climate gives us a comparative advantage; we grow potatoes early, and can grow cauliflowers in winter—bulky commodities that cost a lot to transport. Of course, with our marine resources, we have fishing, too.

I want to finish with a suggestion on how we might go forward. Alongside the rural rebate, which is due to be piloted, we should consider, perhaps as a strand of regional policy, some kind of rebate for businesses in peripheral regions such as Cornwall. It should not be beyond the wit of man to devise such a scheme. To be eligible, a business would have to be located in a county such as Cornwall. The rebate would be available only on fuel supplies delivered to an address in the area. As for how we would give the rebate, we have heard that most businesses that run a transport fleet would be VAT-registered, so it would be possible to have some kind of fuel duty rebate that runs alongside the VAT return. I know that none of these things is easy; it would take some work to develop the detail of such a policy, but it would be an interesting idea to look at. It could be a very powerful regional policy. In the meantime, I commend

[George Eustice]

the motion to the House, because it is important that there be cross-party consensus on how to deal with the issue.

5.35 pm

Rosie Cooper (West Lancashire) (Lab): More than 100,000 people have added their names to an e-petition, and they and many millions more want to know whether the Government are prepared to listen to them and take the necessary action to ease the burden on hard-working families and businesses and, indeed, on our struggling economy. Out of that desire for action, and to support people in my constituency, I added my name to the amendment tabled by my hon. Friend the Member for St Helens North (Mr Watts) that called on the Government to reverse their VAT increase and, in doing so,

"cut 3p off a litre of petrol".

Nick Smith: Very shortly, the Chancellor will give his autumn statement, so does my hon. Friend agree that that is a terrific opportunity for the Government to signal a temporary cut in VAT that will both help drivers and boost our economy?

Rosie Cooper: I do indeed, because the general public are simply not interested in any more words, any more knockabout, or any more "he said, she said". They have signed up in their thousands for action to reduce the cost of fuel and its impact on families and businesses. Study after study shows that transport is integral to an individual's ability to access employment opportunities and to take part in social and cultural activities. For many people, access to transport is the difference between social exclusion and social inclusion. I could give examples from my West Lancashire constituency that illustrate that the cost of fuel has a significant impact on people, whether they live in urban or rural areas.

The sixties town of Skelmersdale was designed with the car as king. There is no railway station or pavement system to allow people to walk across town, and public transport services are limited. That means that residents rely on their car to get to work and to get around. In many cases, workers are forced to use taxis to travel to work, and if fuel costs increase, residents in those hard-pressed areas must decide whether travelling to work is financially viable.

Tom Blenkinsop: Is my hon. Friend concerned, as I am, that the policy of the Department for Work and Pensions of forcing unemployed people to look for work within a radius of 90 miles might be undermined by the fact that fuel costs are so high?

Rosie Cooper: In my constituency, to be forced to look for work within 9 miles is darn near impossible because there is no transport infrastructure.

Andrew Selous (South West Bedfordshire) (Con): I think that the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) meant to say that it was 90 minutes, rather than 90 miles, which is quite a significant difference.

Rosie Cooper: Fine: my answer remains the same.

There are many rural communities in West Lancashire, and in those areas, public transport is almost non-existent. The main services in villages have closed down, so people have to travel to the main towns to shop, to go to the doctors or to go to work. They rely on their car to get about or, in the case of some older people, on the kindness of a friend to give them a lift. Yet again, if people cannot run their car because of costs, that has a negative effect on all aspects of their life. I am concerned about the impact on both the young and older people in rural communities, as they may become ever more isolated, making them more vulnerable. How do pensioners on a fixed income that has been stretched to the limit find the extra money to cope with further fuel increases?

Some people argue that a reduction in fuel duty and thus fuel prices would mean an increase in the number of journeys and carbon emissions. I absolutely understand that argument, which reflects the fact that there is a difficult balance between our desire to tackle climate change and enabling people to go about their daily business, go to work, support their family, and run their company. Simply pricing people out of their car is not a real solution, especially in areas such as West Lancashire, where there is no real alternative in place.

It strikes me that with a flatlining economy, rising unemployment and businesses unwilling to invest because of the current uncertainty, now is exactly the time for flexibility and common sense. People like those living in West Lancashire—hard-working families and local businesses employing people—are looking to the Government to help them out just a little. They want help to ease that burden, and it is probably the least they are owed, after broken promises to introduce a fuel duty stabiliser, a failure to scrap the planned fuel duty increase and a decision to increase VAT. It is time for social justice and fairness. It is time for the Government to listen and to act. People want them to do it, and to do it now.

5.40 pm

Mr Marcus Jones (Nuneaton) (Con): I begin by thanking my hon. Friend the Member for Harlow (Robert Halfon) for working so hard with colleagues and with the public to secure this vital debate, which affects not only drivers, but every citizen in this country. Virtually everything we consume is carried by road, so when the cost of fuel increases, we all feel the extra burden. When we do our weekly shop, when we pop down the local pub for a swift half or when we buy virtually anything else, we notice that the cost has increased. That is why, in my response to the Chancellor's last Budget, I said in the House that my constituents would have breathed a sigh of relief when the Chancellor scrapped the duty escalator increase programmed into the Budget by the previous Chancellor, the right hon. Member for Edinburgh South West (Mr Darling).

Graham Jones: The hon. Gentleman makes a valid point that family budgets are under pressure. The subject of the debate is important to my constituents—I received about 60 letters. Does he agree, though, that the increase in VAT to 20% is hitting family budgets and adding £450 to the average family's tax bill?

Mr Jones: I thank the hon. Gentleman for his comment. Like many Opposition Members, he is presenting a confused view of things. His party did not vote against the VAT increase. One minute the Opposition seem to want a VAT reduction only on fuel, which would be difficult to achieve because of the situation with the EU. In fact, as has been pointed out, it would be illegal. The next minute the Opposition want a full VAT cut, which I find strange. It is yet another uncosted policy to add to the other five points in the five-point plan. Perhaps we should call it the six-point plan for bankruptcy that the Labour party is advocating.

I remind the House that in the last Budget the Chancellor also cut 1p off the price of a litre of fuel. Although that is a small cut, it was welcomed by many. Thus at the last Budget the Chancellor saved the motorist from an impending increase of about 26p a gallon. That move showed that my right hon. Friend the Chancellor had listened to the people of the country and the FairFuelUK and other campaigns that have lobbied MPs and the Government in a reasoned, fair and pragmatic fashion. My right hon. Friend was probably wise to listen, because we all know now that certain surveys tell us that 85% of the public think the cost of fuel is hurting people and businesses.

I sincerely thank the Chancellor for taking that course of action. I hope that after today's debate the Minister will pass on to the Chancellor the comments made by Members, and that he will think very hard, as he did before, and try to mitigate or not put through the increases in fuel duty programmed in for 2012.

Graham Jones *rose—*

Mr Jones: I will not give way, as other Members want to get in.

Jason McCartney (Colne Valley) (Con): Will my hon. Friend give way?

Mr Jones: Indeed.

Jason McCartney: To follow up my hon. Friend's earlier comments about having a swift half, I recently spent an evening serving behind the bar in one of my local rural pubs to celebrate British pub week—the Wills O'Nats in Meltham, a very rural pub a mile from the nearest houses. All the staff have to drive there. All the customers drive there, of course, with a designated driver and with soft drinks. So it is important not just for enjoying a drink, but for employment opportunities that we support our rural pubs and that we try to do what we can with the fuel duty to help such employment.

Mr Jones: As my hon. Friend rightly points out, that is a vital issue for our local communities.

The road transport angle is vital to my constituency, where many jobs depend on the industry, as it is a major road and network hub for UK distribution. Many transport and haulage companies are suffering greatly. As we have heard, most heavy goods vehicles do about 8 miles to the gallon, so the planned 3p increase in January 2012 will add about £15 a week to the cost of running a vehicle, according to figures I have received from the Freight Transport Association. For companies with fleets of more than 50 vehicles, of which there are several in my constituency, the planned increase will increase their costs by £37,000 a year. They will either absorb the cost or pass it on to their customers. With such low operating margins in the transport sector these days, I suspect that it is inevitable that the increase will be passed on, thus adding further inflation to the supply chain.

Furthermore, an increase would also widen the gap between UK and continental fuel prices and increase the number of foreign trucks operating in the UK. We should think carefully about that, because foreign trucks pay no UK fuel duty, no UK road fund licence and no UK employment taxes. That will increase their ability to undercut UK hauliers, potentially put UK jobs at risk and exacerbate the loss of tax take that hon. Members have mentioned this evening. Smaller haulage companies tell me that fuel prices are crippling their cash flow, as they have to pay at the pump or on very short seven-day credit terms, whereas their customers want 30, 60 or 90-day credit terms.

I would like to say more on this important matter and talk about the general motorist and car driver, but unfortunately I am running short of time. In conclusion, deficit reduction is rightly the Government's first priority, but I appeal to the Chancellor to listen to the public on this vital issue, particularly before his autumn statement, and see what he can do to minimise the impact that it might have on our hauliers and motorists.

5.47 pm

Sammy Wilson (East Antrim) (DUP): I welcome the opportunity to speak in the debate, because the price of fuel is an important concern for many of our constituents. I will start with two observations. First, I am glad that there has been little evidence today in the House of the green zealotry that drove the increase in fuel prices—a point we must not forget, because it was argued that that was a way of weaning the population off fossil fuels. Secondly, although Members have talked about the role of petrol and oil companies, let us not forget that 60% of the cost of fuel is accounted for by Government action. Therefore, this is the appropriate place to debate what can be done about it.

The Government's record on this differs from what they said in opposition. They had many fine ideas in opposition. Indeed, in "A Fair Fuel Stabiliser" they indicated that any reform should help families when the cost of living is rising and reduce the inflationary impact on the economy—but what has the record been since they came into power? In Northern Ireland, fuel bills for families have increased by an average of £254 a year for those using diesel and £284 a year for those using petrol. The Government promised in opposition to do something for families when the cost of living was rising, but their actions have been different.

They made clear in opposition what they thought about an increase in VAT. Indeed, in an intervention in this House in 2008, a Conservative Member asked the then shadow Chancellor:

> "Does my hon. Friend not agree that Labour's plans to increase VAT to… perhaps even 19.5 per cent…. after the next election will hit hard-working families hardest? Should the Government not be ashamed of themselves?"

The answer was "absolutely", and that the Conservatives would keep reminding the then Government of that

> "every…day between now and the…election."—[*Official Report*, 26 November 2008; Vol. 483, c. 741.]

[Sammy Wilson]

The Conservatives did that, but as soon as the election was over and VAT went up to 20%, it all went quiet on the Government Benches, and we did not hear much from them about VAT hitting the poorest families hardest.

During this debate, Government Members have said, "Ah, yes, but we reduced fuel duty." On the one hand, fuel duty was reduced; on the other, VAT was put up. The Chancellor gave, and the Chancellor took away. That is the truth for hard-working families.

Jim Shannon: I thank my hon. Friend for his passionate speech. As he represents a rural constituency similar to mine, has he been contacted by farming communities regarding the effect of fuel prices on food production, which affects everybody in the country? There is the price of the fuel for their machinery, but the increased fuel prices also get passed on to them in the price of fertiliser and other things that they use on the farm. Is he concerned about that, and about its impact on food prices?

Sammy Wilson: That just illustrates the inflationary impact of the situation, not just on individual families but throughout the economy, and the Government ought to bear it in mind as they ask themselves, "What shall we do to regenerate the economy?"

Various reasons why it is difficult to do something have been given. The first, which we have heard from Government Members, is that if we try to reduce VAT Europe will intervene. That is another reason for renegotiating our position on Europe—but leaving that aside, I note that 75% of the tax is not VAT but fuel duty, so even if there is a problem with Europe, the Government have another way of dealing with the problem.

The second reason that has been given has involved asking, "What about deficit reduction?", but there does not seem to have been any difficulty with deficit reduction when it has come to bailing out the euro, with £12.5 billion having already been pumped into it and the Government talking about more money going to the International Monetary Fund. Indeed, as Government Members have said, the measure could almost be self-financing anyway: if, for example, it led to a rise in demand, there would be more duty; if it cut costs, more corporation tax would be paid.

Mark Durkan (Foyle) (SDLP): Does the hon. Gentleman recall that previously, whenever the Scottish National party or Plaid Cymru moved their various motions, Labour voted them down and the Tories abstained, and then the Tories voted them down and Labour abstained? Does he believe that there must be something particularly volatile in fuel prices on the road to Damascus to bring about such changes in outlook?

Sammy Wilson: I believe in Damascus road experiences, and if they help the consumer that is a good thing, so I look forward to that. I hope that the Government will have a Damascus road experience on this issue. Consumers would be pleased if they did.

In opposition, the Conservatives made promises. Now that they are in government they hold in their hands the levers to help consumers, and from this debate will come the expectation that promises made in the past will be delivered by those who hold the levers and have the ability to use them in the present.

5.53 pm

Andrew Selous (South West Bedfordshire) (Con): I, like others, warmly congratulate my hon. Friend the Member for Harlow (Robert Halfon) on bringing this important debate to the House today.

In my constituency the car is essential really to all my constituents. We have three market towns and 14 villages, and although the bus companies do valiantly they cannot serve all my constituents, many of whom have to commute a long way—for 90 minutes or even longer—out of my constituency to find regular work. When there were difficulties with the buses in villages such as Hockliffe and Eggington there was enormous upset, because many people in those areas find motoring so expensive.

In rural areas, on average only 10% of people do not have a car, because they are so necessary, and more than half of households need two cars to get their families around.

Anne Marie Morris (Newton Abbot) (Con): Is my hon. Friend aware that in rural constituencies such as ours the cost of filling up at the petrol pump comes to 10% of the wages of an individual on the lowest income? That is an enormous amount, and does he agree that it puts a particular burden on those living in rural communities?

Andrew Selous: My hon. Friend is absolutely right: that adds insult to injury.

The huge disparity in petrol prices experienced by so many of our constituents is extremely difficult. In addition, the disparity between the price of diesel and unleaded petrol concerns me greatly. Diesel used to be more expensive. We then had parity, and now diesel has shot up again. It is apparent that we have an inadequate supply of UK refining capacity for diesel in this country. We have to import much of our diesel from Russia, which causes particular problems given that around half of all car sales are of diesel vehicles.

Tessa Munt: There is also the increase in prices for liquefied petroleum gas, which has gone up astronomically in the past few years.

Andrew Selous: My hon. Friend makes a good point, and I am glad that she has been able to get it on the record.

Of course, the Government are in a very difficult fiscal position because of the economic mismanagement we inherited. Every day we are still spending around £330 million more than our income, and these things are not easy for Treasury Ministers. In spite of that we have managed to reduce the cost of fuel by around 6p per gallon, which my hon. Friend the Member for Harlow said would equate to around £274 less spent on fuel per motorist in this Parliament. That is very welcome. Government Members are instinctive tax cutters, which is why we have set out plans to reduce corporation tax to the lowest rate in the G7 by the end of this Parliament. That is where our instincts lie, and my hon. Friend the Minister knows that.

In contrast to some of the other speakers today, I want to consider the future in relation to fuel prices and talk about how some of the new technologies will be able to help save our constituents money. On 10 May I held a debate in Westminster Hall, in response to which the Under-Secretary of State for Transport, the hon. Member for Lewes (Norman Baker), told hon. Members that people who buy a Nissan Leaf would have an average reduction in their motoring costs of around £1,000 per year, and that there would be a payback on the total costs within seven years. He also sent me further information to show that the seven-year fuel costs of a Ford Focus are £6,827. For a Toyota Prius that figure is £4,034, and for a Nissan Leaf coming on sale next year, it is just £517. Some 48 other makes of electric vehicle will be available soon—for example, the Vauxhall Ampera and others. I am delighted that in my constituency, charging points for electric cars will be installed at Ashton square by the Grove theatre car park in Dunstable, and at the West street and Hockliffe street car parks in Leighton Buzzard.

We have rightly heard much about the problems faced by small businesses. We need to consider the use of biomethane for trucks and hydrogen fuel cell technology for buses and heavy vehicles. At Nagoya airport in Japan all the buses are powered by hydrogen fuel cells. We need to ensure that we develop a hydrogen refuelling network, as we are doing for electric vehicles. Our constituents will then be able to enjoy cheaper fuel.

We also need to look at what is happening internationally. In Israel and Denmark the Better Place company is engaged across the whole economy. On 1 November Mr van Erck of that company told a meeting of the Westminster Energy, Environment and Transport Forum, at which some hon. Members were also present, that within three years the best-selling vehicle would be electric. Not only can we have cheaper motoring for our constituents, but the UK is also on track for a sizeable share of what HSBC estimates to be a $677 billion market by 2020. That was mentioned by Michael Hurwitz, a director of the Government's Office for Low Emission Vehicles on 1 November. Such a plan would stimulate the economy and create British jobs for British workers, as well as lower prices for our constituents.

The UK is in a race to design, manufacture and power cheaper low-carbon vehicles. We have a once in a lifetime opportunity to lead in this industry as we lead in Formula 1, with eight of the Formula 1 teams based in "motorsport valley" in the United Kingdom. Such a challenge will be good for our constituents' pockets and good for the economy. I recommend to the Government that we power forward in this area, for the whole of the United Kingdom.

5.59 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I want to address this debate from the perspective of a low-paid part-time worker. Working families will be told to earn at least £212.80 a week or face having tax credits removed. In my constituency, particularly in places such as rural east Cleveland, as well as suburbs such as Hemlington and Coulby Newham in Middlesbrough, many women work part-time at or just above the minimum wage. After recent public transport cuts by the Government affecting over 90% of local authorities outside London, those women are forced, in the main, to travel by private car. This will become even more the case next year when the Government remove the subsidy for bus fares, further increasing by 20% the cost to the customer of public transport in the form of buses.

Nic Dakin (Scunthorpe) (Lab): Does my hon. Friend agree that women are particularly badly affected by fuel prices?

Tom Blenkinsop: That is precisely the point I am making. The lack of a Government growth strategy is making it even more difficult for women to exist within or get into the labour market.

Those women and other workers, particularly in my constituency, need affordable transport, and the Chancellor's 20% VAT rate is counter-intuitive to that requirement. The economic climate is such that growth in private sector jobs is flatlining, and such jobs are mainly part-time and low paid. The problem is that people who want to work full-time can only get part-time jobs. Part-time employment cannot fund the everyday necessity of a car, and part-time workers are increasingly reliant on a diminishing—

Jim Shannon: Is the hon. Gentleman aware that over the past 50 years car ownership has increased from 5% to some 51%, and that those in a lower income bracket are most affected? Does he not think that that clearly underlines the case that we need lower prices?

Tom Blenkinsop: Yes. We have heard today the very good arguments about the differences between rural and urban areas, but in certain rural communities in my constituency there is less than 30% car ownership, so there are also class and income issues, as well as a diminishing public transport system that is becoming more and more expensive because of Tory cuts and rising fuel prices.

Female part-time workers often visit two or three workplaces. I used to cover, as a community trade union official, Teesside Cast Products, a steelworks in Redcar. I also represented those in OCS, who worked not only as cleaners and canteen staff but elsewhere as carers on a part-time basis. One of the women I knew did a total round trip of approximately 40 miles a day between two or three work sites. Her employers frequently attempted to remove or decrease her company subsidised fuel costs through unilateral variations in terms and conditions. The Government's attack on her tax credits and their policy of 20% VAT made it almost impossible for her to work on a day-to-day basis. If it were not for the union fighting for her terms and conditions on fuel payments from her employers, she would undoubtedly have become a Department for Work and Pensions statistic and have been downgraded into a burden on the state rather than the hard-working unionised woman I know her to be.

The Office for National Statistics has demonstrated that in 2010 the poorest 20% of households spent 3.5% of their disposable income on petrol and diesel, compared with 1.8% in the case of the richest fifth of the population. Meanwhile, in the same period, Shell's profits more than doubled to £4.3 billion, Exxon Mobil made £6.5 billion, and BP made £3.2 billion. We must take note that the squeeze caused by the Chancellor increasing VAT from 17.5% to 20% has added 3p to the price of a litre of petrol. Diesel keeps industry, and the

[Tom Blenkinsop]

vital service sector that it requires, flowing, much like capital and skills. More than this, public services, including Royal Mail, such as it is—it is going to be fractured and regionalised by privatisation—police vehicle response units, ambulances, fire services and councils incur increased costs via the 3% VAT increase.

Christopher Pincher: I know that the hon. Gentleman is a decent man, but will he explain why, if he really wants to see fuel price reductions, he fought the general election on a manifesto to support the fuel duty escalator that would have put 5p on a litre of petrol this April and increased the duty every year for the next three years?

Tom Blenkinsop: That was not in our manifesto, although the Tories' manifesto clearly stated that they would not raise VAT.

Budgets in Middlesbrough, Redcar and Cleveland have been most severely cut by this Tory-Liberal Democrat Government, with cuts of up to 10% for those local authorities. Leafy areas in the south-west such as Dorset have had a 1% budget increase, and we are feeling the pain the most. Our area provides the manufacturing-led recovery for this country, but we are not getting the financial benefits from this Government. The 20% VAT rise and its effect on fuel is hurting us.

The public organisations that I have spoken about consequently reduce their contracting of car and van fleet services, which hurts small businesses in communities such as mine. Those small businesses in turn reduce their staff numbers as they are squeezed by the direct increase in fuel prices due to VAT and the indirect negative multiplier effect of public service cuts.

As Opposition Members predicted, killing off public services will not, in and of itself, evacuate space for the private sector to fill. It has simply intensified the pain of already difficult budget cuts. That has happened because of the Chancellor's economic decisions before the eurozone crisis. The statistics from the Office for National Statistics and the Office for Budget Responsibility show that the cuts were happening before the eurozone crisis, despite the Government's attempts to use it as a smokescreen for their failed economic policies.

6.5 pm

Sarah Newton (Truro and Falmouth) (Con): This is an important issue that affects every home in my constituency. I add my thanks to my hon. Friend the Member for Harlow (Robert Halfon) for securing this debate.

That appreciation is shared by my constituent Annalise Lucas from Cubert. She is a member of Network Cornwall, which is a network for female small business owners in Cornwall. Like many mums with small children, she balances work—running her costume design business—with looking after her family. Like many hard-working families in my constituency, Annalise and her husband, who works at Newquay Tretherras school, are finding the ever-increasing fuel prices, coupled with the higher costs of living in Cornwall, a real struggle.

Andrea Leadsom (South Northamptonshire) (Con): Is my hon. Friend aware of the many young mothers who work part time and who struggle to afford the cost of filling their car to get to work?

Sarah Newton: I am aware of that concern, especially in rural areas where there is no option but to use a car because of the limitations of public transport.

Hard-working families and mums who are raising their children are the backbone of communities across my constituency. I look forward to hearing from the Minister what more the Government can do to support those families. We all agree that it is vital to sort out the nation's finances, but we must support people to carry on looking after their families.

Sir Robert Smith: The hon. Lady is making an important point, which has been expressed across the House, on the strength of feeling about the need to tackle fuel price rises. Perhaps one challenge that comes from this debate is how the Office for Budget Responsibility calculates the benefit that the Government get from higher fuel prices through the windfall in VAT revenues and other revenues. The OBR argues that that does not count for anything. Perhaps in revisiting that we could also address the argument that a reduction in fuel duty might increase revenues by increasing spending.

Sarah Newton: What we are all agreed on today—I hope we will hear this from the Minister—is that we should leave no stone unturned in finding ways to stop the increases in fuel prices and in starting to tackle the problems that we have heard about in this debate.

I will not use the limited time that I have to duplicate the points that have been made by my colleagues, the majority of which I agree with. However, I will develop the issue raised by my hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) about the impact of rising fuel prices on volunteer transport schemes. Like many rural areas, my constituency does not have good public transport. It also has a high proportion of elderly people, many of whom are living in poverty.

We have one acute hospital that serves everybody living in west Cornwall. Volunteer drivers play a vital role in taking people to hospital, to their GPs and to other therapeutic appointments. Volunteer-run minibuses are also very important. One such service, Transport Access People, run by Age UK Cornwall, is based in my constituency. TAP has just under 30,000 clients and its volunteer drivers have clocked up more than 2.6 million miles. It currently has 250 volunteer drivers, but it has lost six in the past couple of months because of rising fuel prices.

Sheryll Murray (South East Cornwall) (Con): Transport Access People covers not only the west of Cornwall but the whole of Cornwall. In my constituency, TAP is finding it extremely difficult to get volunteer drivers because of the excessive fuel costs that they have to pay.

Sarah Newton: My hon. Friend makes a very good point, as usual. To cover the increased costs that she mentions, TAP has had to put its price up to 41p a mile. It is worried about the future, because it may have to raise it to 45p a mile, which is what similar organisations in other parts of the country are having to charge. Given that the average journey is 25 miles, and that it is not uncommon for patients to travel 50 miles for an appointment, we can see how prices are mounting up for patients. Some are entitled to free travel, but many people on very modest incomes are not.

A report by CAB Cornwall, the citizens advice bureau, has highlighted the fact that some people are not attending hospital appointments because they cannot afford to. That is a waste of precious NHS resources and not at all good for the patients concerned. Work is being done locally to try to address that, with more NHS services being moved closer to people's homes, but that will take time. I hope that the Minister will commit to considering what further help the Government can provide to keep these much-needed volunteer drivers on the road.

Matthew Hancock (West Suffolk) (Con): Are there not unfair differences in the local price of fuel as well as the national price? In Haverhill, in my constituency, fuel is up to 10p more expensive than in nearby Bury. Is that not patently unfair?

Sarah Newton: It certainly is, and I am sure that that is the experience of drivers right across my constituency and Cornwall.

We have heard from all Government Members who have spoken that they absolutely understand that the Government's priority is to reduce the deficit and sort out the nation's finances. People in my constituency broadly understand that. However, I hope that we can ensure that cuts are made and revenues increased fairly, so that they do not adversely affect some of the most vulnerable and poorest people in my constituency who are being affected by the lack of volunteer drivers to take them to hospital.

6.11 pm

Sheila Gilmore (Edinburgh East) (Lab): Like the hon. Member for Truro and Falmouth (Sarah Newton), I want to talk about some of the issues that affect people in my constituency. I feel a little out of place in this debate: so many Members from rural constituencies have talked about either the rural idyll or the rural hell that I feel, as I represent an urban constituency, that I should perhaps not venture into the discussion. However, fuel prices do of course affect urban as well as rural areas.

I wish to develop points about issues such as community transport, which is essential for a lot of elderly people to be able get to activities such as lunch clubs, and to get out of their own homes instead of being housebound. The local organisation in my area is struggling because of the reductions in grants, which are a result of local government cuts. Its core funding, which allows it to be run and administered, has been cut, and at the same time fuel prices are increasing. If it increased its charges to the organisations that use it, that would just bounce the problem on to another set of voluntary organisations—the ones that provide lunch clubs and other activities.

Mr McCann: Does my hon. Friend accept that as well as the austerity cuts in the United Kingdom Parliament, with the Government going too far, too fast, which is having a disproportionate effect, the Scottish National party Administration in Scotland are making unsustainable spending decisions? They are placing the burden on local government, which in turn has to make tough decisions about local spending.

Sheila Gilmore: We have had the experience of four years of a council tax freeze, which people no doubt think is a wonderful thing on one level, but which is presenting huge problems to voluntary organisations.

The other organisation that I wish to mention briefly is a social enterprise—a laundry service—operating in my constituency. It not only provides a valuable service but tries to be commercial and turn a profit so that it can reinvest. It employs many people with learning difficulties, for example, and provides them with valuable training. However, that laundry service goes round collecting sheets and towels and so on from hotels and other large organisations, which involves transporting them to and from the people contracting with it. That organisation, which will certainly not benefit from being able to reclaim VAT, for example, is struggling in this financial climate, yet it is an important organisation, because it provides not just a useful service but valuable employment opportunities for people who otherwise might not be able to get them. We cannot contemplate it ending.

Mr David Hamilton: I agree with my hon. Friend. Many people employed in the voluntary sector work across the city, but they do not have access to buses to enable them to do so, and therefore require vehicles. This issue has a direct effect on those workers, many of whom are part timers, and raises costs for them.

Sheila Gilmore: I wholly agree.

One of the fascinating things about this debate—I mentioned this in an intervention—is the rediscovery, it would appear throughout the House, of the fact that taxes on expenditure are indeed regressive. I would ask that this rediscovery be carried into the further debates that we will no doubt have on VAT, in the autumn statement and into the next Budget. We made the point over and over that the increase in VAT would particularly harm those on lower incomes. Some Government Members try to argue that it did not really do that, because richer people spend more and therefore pay more VAT. However, as a proportion of income and in terms of the effect on family income, it is indeed those who earn least who are affected. I am therefore pleased to see that we all apparently now agree on the regressive nature of such taxes.

Finally, we should not see this debate and our environmental ambitions as an "either/or". We should not appear to be saying that we no longer want to make our country a greener place. We need to invest in green manufacturing industries, which will enable us to get out of this position. It is interesting that the motion refers to the tax take going down, which many people have simply put down to increased fuel costs. However, many other things could have reduced the tax take, such as fewer people working, fewer people paying tax and fewer people travelling, not just because of cost but because they do not have jobs to go to.

Again, this comes down to what we have said about the economy. If we let it run down and down, both demand and income to the Treasury will be reduced, and we will not cure the deficit, as is becoming increasingly obvious, as this Government are having to borrow more.

6.18 pm

Nigel Mills (Amber Valley) (Con): I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on his tireless campaigning to secure this debate. I think

[Nigel Mills]

it was back in February that I last spoke in a debate on fuel prices. Indeed, it should be a tradition that we debate fuel prices two or three weeks before every Budget or the autumn statement. The last debate was a great success, because shortly afterwards the Government scrapped the 5p rise and introduced a 1p cut. We hope that our new Minister will follow that trend and that the next 3p rise will be scrapped, with perhaps even a small cut made to encourage people.

The price of fuel is one of the topics we debate where so many of our constituents feel the pain personally, either as individuals or in the businesses they run.

Mr McCann: It is nice of the hon. Gentleman to give way, because he will remember that I followed him when he made his maiden speech in the House. Does he think that his constituents are feeling the pinch of the increase in fuel prices attributed to the VAT increase that his Conservative and Liberal Democrat coalition introduced?

Nigel Mills: I am tempted to say that I will give way again to the hon. Gentleman if he will tell us whether he voted against the VAT rise. We have heard a great deal of concern expressed today about the VAT rise, but it is surprising that those feelings are so strong, given that most Members did not vote against it. We have often said that we had to introduce that increase in part to fix the mess that Labour left for us. If the hon. Gentleman wants to take away that £12 billion or £13 billion of tax revenue, he will have to find a way of replacing it. I shall return to the question of fuel prices before I run out of time.

The point has been well made that this issue is all-pervasive, in that fuel costs affect everything that we buy. Today the headlines are telling us that inflation has fallen to 5%. Who on earth would have thought that we would be reading such headlines? The last thing that the Government want to do is put up fuel prices, which would affect everything that we buy, thereby pushing up inflation again.

Elizabeth Truss (South West Norfolk) (Con): Does my hon. Friend agree that the situation is particularly difficult for people living in rural areas? One of my constituents who was unemployed has found a job further afield. He is earning £17,000, but he is spending £3,000 of that on petrol.

Nigel Mills: I absolutely agree with my hon. Friend. I have similar situations in parts of my constituency. Petrol prices are much higher there than they are in large cities. I have perhaps had a bit of luck recently in that Asda has opened a branch in the past year, which has pushed some petrol prices down a little—not that I like to pay tribute to supermarkets all that often.

Governments of both parties have spent nearly 20 years putting up petrol prices, and they have justified that in part by saying that it would encourage us to change our behaviour by buying smaller cars and driving less. Well, I think we have all got that message now. I have a smaller car that does many more miles to the gallon, as have most of my constituents, and many of the businesses that I talk to have reformed the way they transport their goods in order to reduce the number of lorry loads. The message is already out there, and we do not need any more nudging. We all understand it, and there is little more that we can do. For many people, their journeys are essential, and we risk pricing them off the road and out of economic activity completely.

The price of fuel is high. In fact, the underlying price—excluding the duty—has increased by about 20% over the past two years. There is no need for an inflationary rise in the duty to ensure that the price goes up in line with inflation, because the price has already risen by that amount. I cannot see any justification for a price rise on that basis. The only argument left for a further fuel duty increase is the fact that we need tax revenue, but this would be an especially bad way of generating that revenue, given the damage that it would do to our economy at this difficult time. I therefore urge the Government to scrap the rises that are planned for next year, and to try instead to find a way of reducing the duty in order to stimulate the economic activity that we need.

6.22 pm

Toby Perkins (Chesterfield) (Lab): I congratulate the hon. Member for Harlow (Robert Halfon) on securing the debate, but I would like to express my disappointment, and the disappointment of the many dozens of people in Chesterfield who have written to me about this matter, that the motion demands so very little of the Government. It calls on them to "consider the effect" of fuel duty increases, to "examine ways of working" with industry, to "take account" of market competitiveness and to "consider the feasibility" of a price stabilisation mechanism. That is hardly a manifesto for change. Is that what 110,000 people wrote to Members of Parliament about? We are asking so very little of the Government today. Jesus said:

> "Blessed are the meek: for they shall inherit the earth",

and the hon. Gentleman must be very blessed indeed. His request to the Government will greatly disappoint the many people who have written to me.

I recognise entirely that the cost of fuel is just one of many costs that are going through the roof, resulting in many people in our constituencies really struggling at the moment. The cost of energy is a significant one, and the cost of food is going through the roof. Inflation is going up, wages are stagnant and the people in our constituencies are struggling desperately. I welcome the fact that Conservative Back Benchers are finally showing an understanding of the principle of the Government forgoing revenue in order to deliver economic growth, reducing the deficit through the higher tax revenues that result from people having more money in their pockets. It was exactly that principle that persuaded me to vote in favour of shelving the increase, when Conservative Members were not doing so. Having arrived at that point, however, it is bizarre that Conservative Members should think that the issue is purely about fuel, and that all the other reasons why people have no money in their pockets and why consumer confidence is so low are not significant. They focus solely on fuel.

This issue is having a massive impact on businesses. The hon. Member for Harlow started by saying that some businesses do not pay VAT, so they are okay. However, small businesses pay VAT, as do public services, charities and ordinary people out there who are paying it the whole time. The significance of this should not be underestimated. Over the past 15 years or so we have seen a reduction in the amount of tax on fuel as a percentage of its cost. The peak period of the highest tax on fuel was back in the mid-90s. Since then, we have seen a reduction. Over the course of the last few years, we have seen a massive increase in the cost of petrol. The tax has been significant, but the big increases recently stem from the profiteering of the fuel companies—*[Interruption.]* Is that an attempt to intervene? I was not inviting one, but I am happy to oblige.

Andrew Percy: The point I have been trying to make is what the hon. Gentleman might think of his Government's decision to escalate the escalator and push through 12 rises. It is a bit difficult being patronised by a party that did all that to fuel prices.

Toby Perkins: The escalator was the invention of the previous Conservative Government. The reality is that when the major fuel protests broke out in 2000-01, the amount of their income that people were spending on fuel was far less than it is today. All the revenue is coming in now, and Conservative Members say that the Government were generating too little money in years gone by. They stand before us today with all the benefit of the money that has gone in over the years, yet for all the talk we hear from people such as the hon. Member for Brigg and Goole (Andrew Percy), we have a motion before us that asks the Government to consider whether they can do something. If the massive increase in fuel duty over the years is so awful—I think it has gone up a lot—why do we not have a proposal that is a bit stronger? Why is the motion so feeble? *[Interruption.]*

We have also heard from Conservative Members—*[Interruption.]* If they want to intervene, they can do so, but I will not just be barracked. According to Conservative Members, there is a huge amount of support for the 1p reduction, which will save motorists £274 over the Parliament. At the same time, people are spending £300 or £400 extra in VAT, so this does not add up. We need a stronger motion, so that we can really help to put some money back into people's pockets.

6.28 pm

Mark Pawsey (Rugby) (Con): I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on the assiduous campaign he has fought on this issue, which has generated massive interest across the Chamber in response to the great pressure on our constituents. I was pleased to add my name to the motion, as I recognise the impact of fuel prices on individuals, particularly those in rural communities such as the villages around my constituency, many of whom have to rely on their car and spend a substantial proportion of their income on fuel.

In common with my hon. Friend the Member for Congleton (Fiona Bruce), I want to concentrate my remarks on the impact on business—and particularly on small businesses—as a generator of growth in our economy, just as I did when we last debated the matter on 16 March. I will deal first with the issue raised by my hon. Friend the Member for Worcester (Mr Walker): the price gap in the UK between petrol and diesel, which is up to 8p a litre. The duty is, of course, the same; it is the higher cost of production that leads to a higher price. That is the reverse of the situation 10, 15 or 20 years ago. Frankly, as the gap widens, there is a disincentive for business to run more fuel-efficient vehicles powered by diesel. There is no reason for having the same rate of tax on fuel, and having a lower rate for diesel would greatly assist business.

The differential between the price of diesel in the UK in comparison with mainland Europe is also important, as my hon. Friend the Member for Nuneaton (Mr Jones) said. That presents a significant advantage to overseas competitors, particularly haulage businesses, many of which are based in my constituency in the middle of England. The Government are losing revenue as UK-based operators fill up their tanks on the continent, and there is evidence that they are specifying vehicles with larger fuel tanks for the purpose. The location and size of those tanks also raise safety issues, especially in view of the horrendous accident on the M5 only a few weeks ago.

In our last debate on this issue, I said that businesses needed certainty and stability in regard to the price of fuel. That is often their most important consideration as they negotiate the prices at which they sell to their customers. I used to run a business that used delivery vehicles to supply goods. We had 10 vans and 10 sales reps. The cost of fuel was a major budget consideration for that small business. Between January 2009 and January 2011, it increased by £1,000 a month before VAT—£12,000 a year. Most of those increased amounts cannot be recouped, because businesses are not able to raise their prices. Loss of profitability and the fear of generating loss have led to massive concern about the price of fuel.

Mr Marcus Jones: I am sure that my hon. Friend will acknowledge that the problem is even worse for small businesses that are not registered for VAT and therefore cannot reclaim it.

Mark Pawsey: I also note that, according to research conducted by the Federation of Small Businesses, one in 10 businesses says that if something is not done about fuel prices, it will need to lay off staff. A quarter say that a freeze on wages is attributable to the cost of fuel, 36% say that they will have to reduce investment in new products and services, and 78% say that their overall profitability will be in jeopardy. The situation would, of course, have been worse under Labour, which—as we have heard from Government Members on many occasions—introduced a fuel duty escalator involving seven increases. Had it not been for the action taken by the Government, fuel would now cost 6p more per litre.

I know from my career before I entered the House how important fuel prices are to the business sector. I hope that in his autumn statement the Chancellor will be able to give the necessary support to hard-pressed households and to businesses.

6.32 pm

Nic Dakin (Scunthorpe) (Lab): Let me begin by thanking the many constituents who have contacted me to express their concern about fuel prices. The debate has covered a wide range of issues. Having listened to all of it, I have concluded that there is a unanimous view throughout the House that higher fuel prices are hitting people hard

[Nic Dakin]

at a time when household budgets are being squeezed as a result of rocketing energy prices and rising food prices. As was pointed out by the hon. Member for Harlow (Robert Halfon), whom I congratulate on securing the debate, mums, ordinary families and small businesses are being affected by the level of fuel prices. It is now clear that the Government's decision to increase VAT to 20% in January, pushing up the price of petrol and the cost of living, was a serious mistake.

Jim Shannon: Does the hon. Gentleman agree that transport is the single biggest item of expenditure for most households, ranking above food, power and housing, at a time when the level of inflation is also increasing? Does he believe that a decrease of 1p, 2p, 3p or more on the forecourts would make a difference?

Nic Dakin: I think that a decrease on the forecourts would be very welcome to ordinary families and businesses.

The Tory tax of choice, VAT, is a regressive spending tax, and I welcome the recognition on the Government Benches that that regressiveness is damaging household incomes. New EU growth figures have been published today. They show that the UK's economic growth is slower than that of all the other EU countries except Greece, Portugal and Cyprus. It is therefore essential that there is action now. We urgently need action to get the economy going again. That is why organisations such as the Federation of Small Businesses are supporting Labour's five point plan for jobs, including cuts in VAT, tax breaks for small businesses that take on extra workers, and taxes on bankers' bonuses to create 100,000 jobs for young people.

I want to focus on young people, as these fuel taxes are creating difficulties for them in getting to learn and getting to work.

Lisa Nandy (Wigan) (Lab): My hon. Friend makes a powerful point. Does he agree that young people in rural areas, including in my constituency, often have to travel long distances to get to college or apprenticeships, and that they have been particularly hard hit by the abolition of the education maintenance allowance and other measures, which have squeezed their incomes disproportionately at the same time as fuel prices have risen?

Nic Dakin: My hon. Friend very clearly makes a point that I, too, was going to make. We fear that the number of young people who are unemployed will rise to over 1 million this week. If that happens, it will be desperate for the people of this country.

Fuel duties and fuel taxes are a barrier to young people getting to learn and getting to work. That is why, in this Chamber last week, the Youth Parliament identified transport as its major concern.

Finally, I wish to draw attention to the absurd increases in the Humber bridge tolls for local people, including those in my constituency. The tolls have risen from £2.70 to £3 for a single journey. They are therefore the highest tolls in the country. I am pleased that the Economic Secretary is present on the Treasury Bench, and I welcome the interest the Government are taking and the review of the Humber bridge tolls. Whatever happens to fuel taxes, I hope we will also look at the Humber bridge tolls, which are a tax on local businesses and local people. We must give them a better deal.

6.37 pm

Owen Smith (Pontypridd) (Lab): This has been a very important debate. It has also been timely, because VAT on fuel and high fuel prices are just two of the essential costs that are currently squeezing family living standards throughout Britain and strangling business confidence. It is also timely as today's inflation figures reveal that inflation is still at 5%, which is more than double the Government's now-forlorn target. This country has higher inflation than any country in the eurozone apart from Estonia.

The debate is timely, too, because, as my hon. Friend the Member for Scunthorpe (Nic Dakin) just said, the unemployment figures will be published tomorrow. We all hope that we will not see the dole queue growing on a Tory watch, as it so often has done in the past. Most importantly, it is a timely debate because the Chancellor has a brief window of time in which to change his mind and take action before he appears at the Dispatch Box in 14 days. He has a chance to do something, and the need to do something has been the theme of this debate.

Almost 20 Government Back Benchers representing constituencies across the country—from Wyre Forest, Argyll and Bute, Penrith and The Border, Cleethorpes, Burton, Congleton and High Peak among other places—have spoken in the debate. All of them pleaded with their Government to do something about high fuel prices in this country. I congratulate the hon. Member for Harlow (Robert Halfon) on securing this debate. He put the case most eloquently in an interview he gave on Radio 4 this morning, when he said that what he wanted from his Government were tax cuts for millions of hard-pressed people, not tax cuts for millionaires. We on the Opposition Benches entirely agree with that sentiment. The occupants of the "millionaires' row" of the Government Front Bench may be less keen, however. *[Interruption.]* Yes, perhaps present company should be excepted, I confess. Normally, there are a few more millionaires on the front row. Tonight, they are a bit short. Perhaps they would like to come in.

Several hon. Members *rose—*

Owen Smith: I am not going to give way on that point.

What all those Back Benchers have wanted is action. The crucial difference between what they have called for today and what has been called for by Opposition Members, including my hon. Friends the Members for Ynys Môn (Albert Owen), for Livingston (Graeme Morrice), for Dumfries and Galloway (Mr Brown) and for Stoke-on-Trent South (Robert Flello), the hon. Member for Dundee East (Stewart Hosie), my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr Clarke), and my hon. Friends the Members for East Kilbride, Strathaven and Lesmahagow (Mr McCann) and for West Lancashire (Rosie Cooper) and many others, is that we want something substantive done. For example, we want what we might have seen in the motion had it pursued the line of thought that the e-petition did. We want to see something tangible. What Opposition Members have called for is straightforward.

We have said, "Cut VAT by 3p on a litre of petrol, reverse the tax increase that the Chancellor put on ordinary working people in the Budget and get the economy moving."

Mr Reid: Will the hon. Gentleman give way?

Owen Smith: I will not give way because we do not have much time. [HON. MEMBERS: "Go on."] I will give way once.

Mr Reid: Does the hon. Gentleman not accept that such a policy would require the unanimous consent of the EU Council of Ministers? How long does he think it would take to get that agreement?

Owen Smith: Interestingly, the Government tried to tell us that there was no prospect of our seeking a derogation in respect of VAT on petrol, but they are, in effect, seeking a derogation for their rural subsidy—or their rural special pilot. *[Interruption.]* We are not opposing it, but we are saying that they could go further than simply seeking a derogation for rural areas; they could cut 3p off VAT right across the country, not just on fuel, but on all things, and get the economy moving. That is what they could do. There is a reason for them to do it, and here they should have listened to the hon. Member for Romsey and Southampton North (Caroline Nokes). She gave a very interesting speech and it was interesting to hear a Conservative Member acknowledge, so many years after Conservatives have protested that it was not true, that VAT is a regressive tax. VAT hits the lowest-paid people the hardest, and VAT on fuel does exactly the same.

It is very instructive today that so many Conservative Members should have signed the motion, albeit this bowdlerised, Whip-friendly motion. It is evidence that Conservative Back Benchers, unlike those on their Front-Bench, are perhaps concerned about the living standards of ordinary people in this country. It is also evidence that they have spotted, at last, that they were sold a pig in a poke by their Chancellor at the Budget last year. What he said when he announced, with such great hubris, that he was putting fuel in the "tank" of the economy was that the Government were going to have a fair fuel stabiliser—this is the fair fuel stabiliser that he had been promising since 2008. Hon. Members may remember that this was a pledge to link the prices of unrefined petrol and refined petrol in order to smooth out volatility. Of course that is not what Conservative Back Benchers got at all. They have not got a mechanism that smoothes out volatility or that connects petrol prices to oil prices. They have not got what they all stood on as a manifesto pledge. This is yet another broken promise from this Government.

Robert Halfon: Will the hon. Gentleman give way?

Owen Smith: I will not give way. What they have got instead is more smoke and mirrors from the Government. They have got what one commentator referred to as the Chancellor taking one policy and giving its name to another one. The casual observer would think that they had fulfilled their manifesto pledge, but in reality, of course, they have not done so.

Robert Halfon: I thank the hon. Gentleman for his kind remarks; I am glad to hear that he was listening to the "Today" programme. He talked about a vulgarised Whip motion, but that same motion was signed by 13 Labour MPs, including the hon. Member for Bolsover (Mr Skinner).

Owen Smith: I presume that the hon. Gentleman could confirm—I am not going to give way to him once more to give him a chance to do so—that he spoke to the Whips beforehand. I say that because the motion does not reflect what he wanted in his e-petition. What the motion rather coyly says is that the Government should

"consider the feasibility of a price stabilisation mechanism",

thereby conceding that what the Chancellor said he was delivering is fiction. It is not a stabiliser; it is merely a gimmick, as we have come to expect from this Government. Why should anybody trust the Tories on fuel tax? Similarly, we should not trust them on VAT because they always say that they are not going to put VAT up and when they get in, they do.

At this point, I must give Government Members a bit of a history lesson, because we have heard such rot this afternoon about the Labour Government's record on fuel tax. Between 1979 and 1997, during the last period of Tory government, the Tories increased fuel duty fivefold—not a five-point plan but a fivefold increase in fuel duty, which went up from 8p to 45p by the time they left office. During the '90s, when they invented the fuel duty escalator, fuel duty increased from 59% to 75% of the price per litre. That is what we inherited when came to government. It was left to Labour effectively to stabilise prices by freezing successive—*[Laughter.]* Hon. Members may laugh but they really ought to read the facts before they come into the Chamber and speak. Let me quote from the House of Commons note that was prepared for this debate:

"Duty rates were cut or frozen for around six years from early 2000...By autumn 2008 duty was lower...in real terms"

than at any point since 1996.

The Economic Secretary to the Treasury (Miss Chloe Smith): Will the hon. Gentleman give way?

Owen Smith: In a moment. What is the reality of what the Government did—[HON. MEMBERS: "Stop pointing!"] I think she is worth pointing at. What is the reality of what the Government did in the Budget? It merely takes us back to where we were in 2008. Far from it being a substantive change, this is once again smoke and mirrors from the Government. They say there is nothing they can do but there is a choice—there is always a choice in politics.

Miss Smith: Did the hon. Gentleman vote against the Finance Bill measures? Did he vote for the fuel duty cut that we proposed?

Owen Smith: We have heard that utterly specious remark all the way through. We voted against the entire Budget, which we feel is choking off growth in this country. There is a choice the Government could take—they could choose to act. They should act today and implement a plan—plan A or plan B, we do not mind what it is called. They should just do something.

6.47 pm

The Economic Secretary to the Treasury (Miss Chloe Smith): I very much welcome the opportunity to debate this motion and I shall happily correct a few points that the hon. Member for Pontypridd (Owen Smith) has just made. Most importantly, this is a chance to listen to and consider the contributions of hon. Members on both sides of the House. I congratulate my hon. Friend the Member for Harlow (Robert Halfon) on securing the debate and moving the motion and I apologise to him for missing a few minutes of his speech initially. Let me take this chance also to congratulate the Backbench Business Committee and the 100,000 and more petitioners who have put this issue forward for debate today. Unlike many Opposition Members, I do not disparage the motion. I respect this as an avenue of democracy.

Even though average pump prices have fallen over the summer, there is little doubt that the cost of fuel remains a very difficult issue and a concern to many families and businesses across the country—and, indeed, to young people. The hon. Member for Wells (Tessa Munt) mentioned students and the Youth Parliament. Let me say for the record and for the hon. Members for Pontypridd and for East Lothian (Fiona O'Donnell), that both my primary and secondary schools were comprehensives. I fully respect the needs of all those across the whole of society.

Elizabeth Truss: Does the Minister agree that many people in rural Norfolk where she grew up will struggle to find an alternative to using their car, and that we need to reflect that in our policies?

Miss Smith: I welcome that point from my hon. Friend and near neighbour. I should like to reassure her constituents, as well as motorists up and down the land, whether they are in rural, suburban or urban areas, that this Government have listened to their concerns and will continue to do so. However, today is not the day to try to change taxes—that is for the Budget. Today is to listen.

From our first Budget last year—indeed, from when we were in Opposition, when we said, as the hon. Member for Pontypridd has pointed out, that we would introduce a fair fuel stabiliser—this coalition Government have listened and acted. In the Budget in March, we announced a £2 billion package to support motorists at a time of record pump prices. However, the Labour party, including the hon. Gentleman, whom I do not believe was there at 4 am when many of the rest of us were, failed to support that package, which was supported by the Federation of Small Businesses on behalf of, for example, van drivers.

Before I come to specific points raised in the motion, I will explain why the Government took the action that they did in the Budget.

Owen Smith: Does the hon. Lady agree that the price stabiliser is not what it was described as being by the Chancellor and the Prime Minister when they were in opposition? It does not link pump prices to oil prices.

Miss Smith: It is the Labour party that wants a price stabiliser, and I shall come to that. Our fair fuel stabiliser aims to do other things, and I shall deal with that in due course.

Motoring is an essential part of everyday life for many households and businesses, and the cost of fuel affects us all. The Government recognise that the price of petrol is a significant part of day-to-day spending. We know that high oil prices are causing real difficulties with regard to the affordability of motoring. It is important that a responsible Government listen, consider and act.

It was the previous Government who, in the 2009 Budget, introduced a fuel duty escalator. That involved planning for seven fuel duty increases after the 12 that they had already made. None of those planned increases was subject to either oil price or pump price movements. Despite what Labour Members may claim now, and the synthetic anger referred to earlier in the debate, the previous Government had no plans whatever to support motorists. The right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke) said, "We are where we are." It is regrettable that the previous Government did not act to prevent us from being where we are. From the very beginning of this coalition Government, we have looked at how we could ease the burden on motorists. We acted with a £2 billion plan to ease that burden.

Mr Tom Clarke: Will the hon. Lady give way?

Miss Smith: I am terribly sorry, but I am very short of time. I need to explain how we acted. We acted by cutting fuel duty by 1p per litre from 6pm on Budget day.

Several hon. Members *rose—*

Miss Smith: Time is short; hon. Members will appreciate that I need to press on. We acted by cancelling the previous Government's fuel duty escalator for the rest of the Parliament. We acted by introducing a fair fuel stabiliser that will better share the burden of high oil prices between motorists and oil companies, and we acted by ensuring that there are no fuel duty increases at all this year.

Fiona O'Donnell: Will the hon. Lady give way?

Miss Smith: No. I am sorry, but there is not time.

I need to explain to the hon. Lady that we deferred the inflation-only increase that was planned for April 2011 to January 2012, and deferred the 2012-13 increase to 1 August 2012.

Owen Smith: Will the hon. Lady give way?

Miss Smith: No, I will not. I need to press on.

There have been calls for the Government not to go ahead with those two duty increases. I can understand that, and my right hon. Friend the Chancellor understands that, but let us not forget that those increases remained in the Budget so that we can deal with the record deficit that we inherited. This is a time of international instability, and the difficult decisions that the Government have taken to tackle the deficit have made Britain safer for householders. Our reduction plan has led to low interest rates, which help householders through their mortgages.

Fiona O'Donnell: Will the hon. Lady give way?

Miss Smith: The hon. Lady will appreciate that I need to leave time for Back Benchers to respond to the debate. In addition to the cut in fuel duty, which hon. Members have, of course, welcomed today, the Budget announced further support that will benefit motorists. Our fuel duty cut came on top of the freeze in vehicle excise duty for hauliers that hon. Members mentioned.

Fiona O'Donnell: Will the hon. Lady give way?

Miss Smith: No.

Fiona O'Donnell *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. The Minister has made it absolutely clear that she is not giving way for the duration of her speech.

Miss Smith: Thank you, Mr Deputy Speaker.

I need to explain that our fuel duty cut was on top of an increase in approved mileage allowance payments; that helps employees and volunteers who use their own cars. I think that, in the light of their speeches this afternoon, my hon. Friends the Members for Romsey and Southampton North (Caroline Nokes), and for High Peak (Andrew Bingham), will welcome that. That is all on top of the increase in the personal allowance, cuts in corporation tax, above-inflation increases in child tax credits, and the triple guarantee for pensioners. That is real help for motorists, businesses and families, as my hon. Friend the Member for Truro and Falmouth (Sarah Newton) said.

Let us not forget that although the Opposition have talked so much today about helping motorists, they could not even bring themselves to offer their support for the fuel duty cut, or the increase in the supplementary charge on oil and gas companies to fund it, in the Finance Bill debates.

Owen Smith: Will the hon. Lady give way?

Miss Smith: No; I am terribly sorry. Today, average pump prices are approximately 6p per litre lower than they would have been if we had continued with the previous Government's planned escalator, which the Opposition are so keen to airbrush out of history. That means that a typical Ford Focus driver would have been £56 better off in 2011-12, and an average haulier £1,700 in 2011-12. *[Interruption.]* Opposition Members are chuntering and trying to suggest that motorists would be better off under their plans for an escalator and a VAT rate of 17.5%. We know that the right hon. Member for Edinburgh South West (Mr Darling) was planning to increase VAT.

The Opposition cannot say where £12 billion of extra expenditure would come from, and it is simply not true that motorists would at present be better off under the previous Government's plans. When comparing the changes that we announced in the Budget with the previous Government's fuel duty and VAT plans, pump prices are approximately 3p a litre lower. By the end of the Parliament, average pump prices will be 3.5p a litre lower. Cutting fuel duty and scrapping their escalator will more than offset the impact of the increase in VAT.

I shall quickly address the issue of whether oil price falls this summer have been passed on at the pump, which is a matter of concern to hon. Members who have participated in the debate and to many of our constituents. For motorists to realise the benefits, as we all wish them to do, retailers need to pass those on at the forecourt. Individual pricing decisions are for retailers—we have heard about competition from my hon. Friend the Member for Worcester (Mr Walker) and others—and the Office for Fair Trading is not aware of any evidence that would allow it to launch an investigation.

The Chancellor has made it clear that although the Government can control the duty rate it cannot control the world oil price. After such a good debate, I hope that I speak for Members from all parts of the House in saying that we all want motorists to benefit as much as possible from falls in oil prices. A number of complexities mean that pricing is not the same at every petrol station in every part of the country, but overall prices today are lower than they were at the beginning of the summer, just as they were lower at 6 pm on Budget day after we cut prices by 1p. They are 6p a litre lower because of the actions taken by this Government.

Furthermore, I regret to say that the motion is wrong about fuel duty receipts, which have not fallen by £1 billion since 2008. Official receipt data show that receipts have increased in recent years. Let me deal briefly with the fair fuel stabiliser. The support we are providing to the motorist needs to be paid for. My hon. Friend the Member for Beverley and Holderness (Mr Stuart) referred to sound Conservative principles, and this is one of which I am proud—things must be paid for—and it is fair that companies make a higher contribution. Only in that way can we support the motorist in a way that is fair, affordable and transparent. Updates on the introduction of a rural fuel duty rebate will be available to hon. Members who are interested in that, and we must do what we need to do in a sustainable manner.

6.57 pm

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): It is an honour to wind up the debate, which has been far ranging and widespread, both geographically and in content. Luckily, it was a virtual tour of our constituencies—had it been a driving tour, it would have cost a veritable fortune.

The debate has taken place after much pressure from outside, and I pay tribute to the hon. Member for Harlow (Robert Halfon) who, since coming to the House, has been a great champion of this issue. In fact, in the previous Parliament, he might well have spoken for the Scottish National party and Plaid Cymru. I hope that I am not damaging his career too much by giving the praise that only an SNP Member could give to boost it in that way.

The right hon. Member for Dwyfor Meirionnydd (Mr Llwyd) and my hon. Friend the Member for Dundee East (Stewart Hosie) have pointed out that the House has been rotating around us nationalists. The hon. Member for Foyle (Mark Durkan) pointed out in an intervention that the SNP has been constant on the issue, and whoever has been in government and opposition have played their points as such. The price of diesel, at £7 a gallon in my constituency, is damaging to families and, in particular, to businesses.

Tom Blenkinsop: Will the hon. Gentleman give way?

Mr MacNeil: I cannot give way.

Many hon. Members, including the hon. Members for Worcester (Mr Walker) and for Beverley and Holderness (Mr Stuart), pointed out that tax was up, but revenue was down. As the hon. Member for Camborne and Redruth (George Eustice) said, it is a regressive tax, which is something that we should change. Three years ago, Iceland had a huge crash, but today it has lower unemployment and a greater growth rate. Interestingly, the cost of its fuel is about two thirds the cost in the UK. The UK has the highest petrol taxes in Europe, with Greece in second place. The message is surely going out to the Treasury and the Chancellor: no tax rises in January.

Question put and agreed to.

Resolved,

That this House welcomes the 1p cut in fuel duty at the 2011 Budget, the abolition of the fuel tax escalator, the establishment of a fair fuel stabiliser and the Government's acknowledgement that high petrol and diesel prices are a serious problem; notes that in the context of the Government's efforts to tackle the deficit and put the public finances on a sustainable path, ensuring stable tax revenues is vital for sustainable growth; however, believes that high fuel prices are causing immense difficulties for small and medium-sized enterprises vital to economic recovery; further notes reports that some low-paid workers are paying a tenth of their income just to fill up the family car and that high fuel prices are particularly damaging for the road freight industry; considers that high rates of fuel duty may have led to lower tax revenues in recent years, after reports from leading motoring organisations suggested that fuel duty revenues were at least £1 billion lower in the first six months of 2011 compared with 2008; and calls on the Government to consider the effect that increased taxes on fuel will have on the economy, examine ways of working with industry to ensure that falls in oil prices are passed on to consumers, to take account of market competitiveness, and to consider the feasibility of a price stabilisation mechanism that would work alongside the fair fuel stabiliser to address fluctuations in the pump price.

Mr Deputy Speaker (Mr Nigel Evans): Several hon. Members were not called in this evening's debate because it was very popular and there were time constraints. That will be noted for further debates.

PETITION

Antibiotic Action Initiative

6.59 pm

Mr Kevin Barron (Rother Valley) (Lab): I am pleased to see that many hon. Members have turned up for the formal presentation of the petition tonight. I had the honour of having the parliamentary launch of the Antibiotic Action initiative on Wednesday last week, when a formal petition of more than 4,300 signatures was handed in at No. 10 Downing street.

The petition states:

The Petition of supporters of Antibiotic Action, a national initiative of the British Society for Antimicrobial Chemotherapy,

Declares that the Petitioners believe that the treatment of common and serious bacterial infections will be seriously compromised unless urgent steps are taken to stimulate investment in the discovery and development of new antibiotics, further declares that to support the discovery, development and bringing-to-market of new antibacterial agents, opportunities should be identified to safely streamline and accelerate the licensing processes for new antibiotics; declares that the commercial challenges faced by industry in developing and bringing new antibiotics to the marketplace should be addressed, and declares that more partnership between academia and pharmaceutical and diagnostics companies in the UK should be encouraged, in order to maximise the conversion of discovered-candidate molecules into licensed antibiotics available for use on the NHS.

The Petitioners therefore request that the House of Commons urges the Government to review the licensing processes for new antibiotics, conduct a review of the commercial challenges faced by the pharmaceutical industry in developing and bringing new antibiotics to the marketplace and encourage more partnership between academia and pharmaceutical and diagnostics companies in the UK.

And the Petitioners remain, etc.

[P000983]

Independent Police Complaints Commission

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Alistair Carmichael.)*

7.2 pm

Mr David Lammy (Tottenham) (Lab): Thank you, Mr Deputy Speaker, for giving me the opportunity to debate the Independent Police Complaints Commission, an organisation that has taken on increasing importance in recent months. It is right in such a debate to begin by thanking all local officers in Tottenham for the work that they do day in, day out. The vast majority of them serve us very well indeed. Some of those brave men and women serve their own community, and it is clear that they put others ahead of their own needs. All of them put their lives on the line to keep Tottenham safe, and I thank them for that.

However, for all the bravery of those officers, things very occasionally go wrong, and when they do individual officers must be held to account for their decisions and actions. There is no way of escaping Tottenham's recent history: there is a history of people in Tottenham dying during or following police contact. I wish to God that this were not true, but anyone who has lived in Tottenham knows just how those deaths have strained the relationship between some of our residents and the police. With the death of Cynthia Jarrett in 1985, Roger Sylvester in 1999, and Mark Duggan this August, Tottenham's history has been punctuated and measured by these tragic events.

Of course, deaths in police custody or following police contact are not only a Tottenham issue, as, for example, the unexplained death of Christopher Alder in Hull more than a decade ago shows us, and they are not just an issue for the black community. Recent years have seen the deaths of Ian Tomlinson and Jean Charles de Menezes due to police actions. But in Tottenham we do seem to bear our share of these tragic events.

It takes years—decades—of effort to build community relations and to foster a two-way sense of trust between residents and the people who should be their police. Despite a lot of good work, it is the list of deaths that everyone remembers. It is not just the fact that a person has died following contact with the police that is important; how the death is investigated and who carries out the investigation are just as important. That is what I want to discuss this evening.

Before describing how I think the IPCC can be improved, it is important to recognise that the journey to the creation of an independent complaints authority has not been short or without controversy and resistance, because we have come a long way indeed. In 1985 Lord Scarman produced his groundbreaking report on the Brixton riots four years previously. He was deeply concerned about the total breakdown of trust between the police and some of the communities they were supposed to serve. His report called for an independent body to be set up to investigate police complaints as a means of restoring trust.

Unforgivably, it would be another 19 years before the IPCC opened for business. Instead of the Government agreeing to what was so obviously needed, deckchairs were duly rearranged and the old Police Complaints Authority was set up to replace the Police Complaints Board, but it proved just as hapless. Changing a word in the title proved easier than changing the way of working, because in those days it did not matter whether it was the Police Complaints Authority or the Police Complaints Board that conducted the investigation. They were not investigations for the victim, their family or the concerned community; they were investigations by the police and for the police.

The opening of the Stephen Lawrence murder trial yesterday again brings the failures of the Police Complaints Authority into sharp public view. The Macpherson report on Stephen's death highlighted these failures perfectly. It noted that the authority's report on the Metropolitan police's handling of the death was known as the Kent report, principally because the Kent police handled the inquiry into the Metropolitan police. The Kent report began making excuses for the Metropolitan police in its preface:

> "The depth of detailed scrutiny applied in the complaints investigation could have found fault in most police criminal investigations. The reader of this report should bear in mind that the benefit of hindsight and the luxury of having time to assess all of the information that was available to the MPS is bound to reveal errors, omissions and flawed judgement."

The Macpherson report highlighted the shocking extent to which the Police Complaints Authority examined whether racism impacted on the Met's investigation, stating:

> 'Many officers were asked directly whether racism had an impact upon their activities in the case. Predictably they replied in strong terms denying such impact. The result was the finding by Kent that: "Kent Police have found no evidence to support the allegation of racist conduct by any MPS officer involved in the investigation of the murder of Stephen Lawrence."'

Scarman's warning in 1985 about the lack of independent oversight of the police had become, 12 years later, the whitewash of the Kent police's so-called investigation of racism in the Met. Like the Scarman report, the Macpherson report called for an independent body to investigate police complaints.

Thankfully, one Home Affairs Committee report later, the Government listened that time and the IPCC was set up in 2004. Make no mistake: the IPCC is certainly an improvement on what went before, as the police are not investigating themselves. We are pleased about that, but not very pleased, and certainly not content. The death of Mark Duggan tells us why we should not be content with what we have, because it is not yet good enough.

Keith Vaz (Leicester East) (Lab): I congratulate my right hon. Friend on securing this important and timely debate. Does he share my concern, and that of members of the Home Affairs Committee, that several months after the current chair of the IPPC announced that he was leaving, there is still no replacement? We now understand that the job is to be advertised again. Does he agree that there needs to be a permanent chair to provide that organisation with good leadership?

Mr Lammy: I totally agree with my right hon. Friend. I was surprised when I found out that that important role in our country had been vacant for so long. I hope that when he comes to the Dispatch Box to reply to the debate, the Minister will explain that.

[Mr Lammy]

The IPCC has two roles, police scrutiny and public guardianship. It is charged with investigating complaints independently, and with the fullest scrutiny, but its role does not stop there. Given that it investigates on behalf of all of us, it must communicate and work with the public.

In the case of the death of Mark Duggan, it remains to be seen whether the IPCC fulfilled its primary duty to scrutinise the actions of the police on 4 August, but it is vital that the commission does all within its power to convince the Duggan family and the wider Tottenham community that its investigation is thorough, impartial and independent. Without that, we will be back to the bad old days of the Kent report and the police investigating police, and I hope that the IPCC do not take us there.

We wait to see whether the IPCC will fulfil its primary duty, but even in the days immediately after Mark Duggan's death it was clear that it had failed completely and utterly in its secondary duty—that of guardianship. Mark Duggan's family were forced to learn of the death of their son and father from watching television. That is beyond unacceptable. Why did nobody from the IPCC contact the family on the day of his death, when it had opened its investigation? Despite warnings from people throughout the community, the IPCC failed to communicate with the family until two days after the shooting, and even then it was unable to communicate anything of substance to them. That is not good enough.

Despite employing 15 media officers, the IPCC failed to make an appearance in the media to reassure a sceptical public—certainly in my community—that it would investigate Mark Duggan's death thoroughly, impartially and independently. Its inability to fulfil that responsibility is difficult to explain. There was no direct communication by the IPCC to the affected communities in Tottenham in the hours and days after Mark Duggan's death. Would it have been too difficult to hand-deliver a letter to residents of the affected areas, reassuring them of the investigation, explaining the known facts and appealing for calm and co-operation? No, it would not—but yet again, that did not happen.

In the absence of any word from the IPPC, a dangerous vacuum was allowed to open up, and rumours were allowed to take hold in the place of hard facts. That is not good enough. When the supposed facts were released to the media, they were quickly retracted. It was put out that there had been an exchange of fire in the incident that led to Mark Duggan's death, but that turned out not to be true. Why did that happen? Again, that is far from what we would expect of an organisation with the role of public guardianship.

To this day, communication between the IPCC and Tottenham residents, as well as with the wider black community, appears sparse at best and unthinking at worst. That has to change. The magnitude of the IPCC's task is immense, and some of the signs leave little hope in the strained community that I represent. Two thirds of people have heard of the IPCC, a number that has barely budged since the body was founded seven years ago, but one third of those think that it is part of the police—again, a figure that has barely budged. Ethnic minorities are even less likely to have heard of the IPCC, and they are more likely to believe that it is part of the police. That is the scale of the challenge awaiting us.

Jim Shannon (Strangford) (DUP): Is the right hon. Gentleman aware of any police investigations in other regions of the United Kingdom, such as Northern Ireland, Scotland or Wales, that could be a catalyst for, and an example of, an improvement on what he has described?

Mr Lammy: I am grateful for any suggestions, and I suspect that the Government will be, too. I know that communities beyond the black community have had concerns about how the police investigate the police, and I am sure that in Northern Ireland there are lessons that need to be carefully reflected on, developed and learned.

The IPCC has to do more to convince a sceptical public that it is truly independent and has learned the lessons of Scarman and Macpherson. I hope that the Duggan inquiry will go some way towards doing that, but the IPCC, given the way in which it handled those initial days, has made things hard and has not lived up to those expectations. What assurances can the Minister give the people of Tottenham that the Duggan inquiry will be thorough and independent? A good start would be to address the shocking statistic that 30% of IPCC investigators are former police officers, and far fewer are from an ethnic minority background. Investigators such as police officers must look like the communities they are working in, and the IPCC must never allow itself to appear simply as a replica of the old Police Complaints Authority. What assurances can the Minister give that those figures will change?

The IPCC can work only under its current powers, and it is time for those powers to change. At the moment the IPCC cannot compel a police officer to speak to it unless that officer is a named suspect in a criminal investigation. The IPCC needs the power to speak to everyone, including the police, right up to the top. Will the Minister assure me that the IPCC will be given the powers to compel police officers to co-operate with its inquiries?

At the moment the IPCC does not have the power to suspend a police officer pending an investigation. The officer involved in the Mark Duggan case has not been suspended and is still working. The Minister will understand that members of the community that I represent find that quite incredible. Will he assure me that the IPCC will be given the power to suspend police officers who have been involved in a death due to police contact?

At the moment the IPCC does not have the power to initiate its own prosecutions following an investigation. In the Roger Sylvester case, as in others, power is often handed to the Crown Prosecution Service, which then does not prosecute. There is an inquest that brings in an unlawful killing verdict, and the families feel very let down indeed. The initial inquiry should have that prosecution power in the first place. Will the Minister explain why the IPCC finds itself caught between the coroner, the CPS and the police in relation to its powers, and say whether he will review what powers are needed following the concerns that have been raised not only in the cases I have mentioned, but in successive cases over many years?

At the moment, the IPCC does not own the scene of an investigation until some time after an incident has taken place. The scene of the Duggan death was not owned by the IPCC until hours after the shooting. That has to change. Will the Minister assure me that the IPCC will own the crime scene right from the beginning in recognition that there can be tremendous concern and anxiety about the fact that the initial officers caught in the incident can effectively own the scene for hours before any degree of independence takes over? The IPCC budget is tiny. It is £35 million a year, which is less than that of every single force in the country.

John McDonnell (Hayes and Harlington) (Lab): I want to mention something I have learned from recent meetings with the IPCC. Is my right hon. Friend aware that a very limited and relatively small number of cases are managed cases, so the vast bulk of work that the IPCC is dependent on is dealt with by the police themselves?

Mr Lammy: With that budget, one can understand that the IPCC simply cannot get through the level of complaints that are being made. In fact, a sub-set of complaints is in effect being handled by the police. Again, we will need reassurances about whether the budget is appropriate for the sort of organisation that has to be armed to do this job independently and effectively. This is why there is a trust deficit in what the organisation does, and I hope that the Minister will respond to it.

The Minister will, of course, need to start by reviewing the many deaths that take place following police actions. Since 1999, according to the Library, 322 people have died in or following police custody, yet not one police officer has been jailed for any of those incidents. These are shocking figures. I ask the Minister to reflect on the sheer extent of those figures, whether he is content, and whether there should not be some independent review into that aspect of its work.

I hope that the Minister will commit to an inquiry into the disgraceful revelations regarding the handing over of the wrong body to the family of Christopher Alder, who died in police custody in April 1998. Mr Alder was a paratrooper who fought for his country, yet he was left to choke to death, handcuffed on the floor of a police station in Hull. The fact that his family found out just two weeks ago that the body they buried was not in fact his, and that he is in a mortuary over a decade later, is a disgrace and of tremendous concern in a civilised country. I hope that the Minister will undertake an inquiry and get involved. I am pleased to see my right hon. Friend the Member for Leicester East (Keith Vaz), the Chairman of the Home Affairs Committee, in his seat; I am sure that he is as concerned as I am.

We need a review of deaths in police custody. We need a review of the IPCC's powers and resources, and we need to understand that it is truly independent. My community waits to see its conclusions in relation to the death of Mark Duggan, and I hope that the Minister can reassure them.

7.21 pm

The Minister for Policing and Criminal Justice (Nick Herbert): I congratulate the right hon. Member for Tottenham (Mr Lammy) on securing this debate. I appreciate his long-standing interest in this topic and his immediate concerns about the ongoing investigation by the Independent Police Complaints Commission into the events surrounding the shooting of Mark Duggan in his constituency on 4 August. The whole House will recognise the passion with which he speaks on these issues and, I believe, will share his overriding concern, which is to secure community confidence in policing. That confidence is essential to ensure policing by consent, which we so prize in this country.

I join the right hon. Gentleman in praising the police for the work that they do, including that to secure order on our streets in the summer. That work is often difficult and dangerous. It is nevertheless imperative that when there are instances where police action goes wrong and there is culpability, there must be a robust system to ensure that that confidence in policing is maintained. That is as much in the interests of the police themselves as of those of us who guard the public interest to ensure that it happens.

I should like to address two key issues that the right hon. Gentleman raised. First, I will set out the background to the IPCC, including how it is set up and the way it operates, and deal with some of the issues relating to budgets and staffing. Secondly, I want to turn to the future and set out the issues confronting the IPCC in the context of the Government's overall programme for reform of the system to ensure that we can maintain confidence in the police complaints system and that it plays a key role in the new policing landscape.

The police are a monopoly public service and their officers exercise coercive powers over citizens. They are expected to, and must, uphold the highest standards of behaviour and provide a policing service that enjoys the confidence of the public. The police complaints system is an important safeguard in holding the police to account. The complaints system should focus on allowing people who are dissatisfied with the provision of a policing service to make a complaint, and that complaint to be responded to appropriately.

There needs to be public confidence in the integrity and independence of the complaints system. It was the importance of that independence that gave rise, for the reasons the right hon. Gentleman described, to the establishment of the IPCC, in preference to the bodies that preceded it, in 2004 under the Police Reform Act 2002. It is worth reiterating that the IPCC is independent by law and makes its decisions independently of the police, Government, complainants and interest groups. This means that all complaints must be dealt with in accordance with legislation and the guidance issued by the IPCC and agreed by the Home Secretary. All complainants who have their complaints dealt with by the police in the first instance have a right of appeal to the IPCC. It independently investigates the most serious incidents and complaints. It regularly reports publicly on the outcome of investigations and it makes local and national recommendations as appropriate to ensure that the same things do not go wrong again. Its reports have to stand up to the scrutiny of inquests and courts.

The Government no more direct the IPCC than we direct police forces. It is essential that it remain an independent body.

Keith Vaz: When do the Government intend to appoint the new chair of the IPCC and why has that position been vacant for so long?

Nick Herbert: I will come on to that issue.

I would first like to respond to the concerns of the right hon. Member for Tottenham about the proportion of IPCC investigators who come from a police background. He said that about 30% of investigators and about 10% of the IPCC's staff overall come from a police background. Let us put it the other way around: the vast majority of investigators—70% of them—do not come from a police background. The contribution of those from a law enforcement background is vital in ensuring that the IPCC conducts competent and robust investigations. The idea that the IPCC is an organisation that consists of police officers investigating other police officers is a grotesque caricature, because of its make-up, the way it operates, and the way Parliament established it.

The right hon. Gentleman also raised the issue of the IPCC's budget. Its budget is some £35 million a year and it employs approximately 400 staff. That does not make it a small organisation by any standards. Shortly before I was elected to the House in March 2005, the IPCC had a total of 72 investigators, deputy senior investigators and senior investigators. In March this year, it had 121 such investigators. Its role has broadened in some respects, but it is not an organisation that has been starved of public funds. Of course the IPCC needs to manage with a diminishing budget during the current period, because all policing organisations have to make savings. Nevertheless, in 2010-11 it started 164 investigations and completed 154, which is more than 50% more than in the previous year. I therefore do not believe that allegations about resourcing can be made about this organisation.

John McDonnell: What proportion of complaints lead to managed investigations that are investigated directly by the IPCC?

Nick Herbert: I do not have that figure to hand, but I am happy to let the hon. Gentleman have it after the debate. Of course, we have a structured system that ensures that the commission has the overall supervision of complaints, which I will come to, and that it deals directly with the most serious complaints. That is as it should be.

The IPCC will not become complacent, nor will this Government let it. Having made those points to the right hon. Member for Tottenham, I do not want him to think that I am dismissing what he has said. I hope he knows that I am not.

Following four years' operational experience, the IPCC conducted a review of the police complaints system, the aims of which were to check how well the system was delivering against the original aspirations and to ensure that it continued to improve. The review found that some of the statutory provisions for the handling of complaints were unnecessarily bureaucratic or no longer necessary. Through the Police Reform and Social Responsibility Act 2011, which we have just passed, the Government are introducing reforms that will put an emphasis on police accountability and make the police complaints system more effective and efficient. That will mean giving police forces additional discretion to deal with low-level complaints, which will free up the IPCC to deal with the most serious and high-profile complaints. It is important to distinguish between matters of public concern about performance issues, in which case what often matters is that there is strong police accountability and responsiveness, and those on which there are serious complaints about a breakdown that needs investigating by the commission.

We are giving the IPCC new powers to recommend and direct that unsatisfactory performance proceedings be brought against an officer when a complaint reveals that their performance is unsatisfactory. We are also giving the commission more flexibility in how it carries out its administrative functions, so that it has the freedom to direct more resources to carrying out its investigations. Those changes and others will improve the handling of police complaints by removing bureaucratic processes from the system, but it is important to realise that we are not stopping there.

In July, on the back of the revelations about phone hacking, we announced to Parliament that we would give further consideration to whether the IPCC needed additional powers, including the power to question civilian witnesses during the course of its investigations, and whether it should be given greater powers to investigate institutional failings in police forces. As the right hon. Gentleman mentioned, the IPCC is also in the early stages of a review of its powers, resources and approach in relation to investigations arising from deaths following police contact. That is obviously a very serious issue, and I know the IPCC has been in touch with him, and will keep in touch, about that piece of work. I will take the closest interest in it as well. In addition, we are setting up police and crime commissioners, to be elected a year from today, to hold the police to account.

I also want to respond to the points made about the IPPC's chairmanship. I am aware of concerns that we do not have a permanent chairman at the moment. We are taking particular care over the position, precisely because it is crucial to ensure the success of the IPCC. A new chair should be in place early in the new year, but until then Len Jackson, a highly effective individual in whom the Government have complete confidence, has agreed to remain interim chair. We are determined to secure the right appointment to the organisation, because we invest considerable importance in its independence and integrity. It has new challenges to meet and old challenges that still have to be met. I accept the right hon. Gentleman's concern about it, and I want to assure him and the Chair of the Home Affairs Committee that the Government will continue to ensure that the IPCC does the job that it was set up to do—

7.32 pm

House adjourned without Question put (Standing Order No. 9(7)).

Westminster Hall

Tuesday 8 November 2011

[Mr Graham Brady *in the Chair*]

King George Hospital

Motion made, and Question proposed, That the sitting be now adjourned.—(*Michael Fabricant*)

9.30 am

Mike Gapes (Ilford South) (Lab/Co-op): I want to raise the issue of the Care Quality Commission report on the Barking, Havering and Redbridge University Hospitals NHS Trust in north-east London, the related independent reconfiguration panel report and the recent decision by the Secretary of State for Health to endorse the recommendations in the panel's report and, as a result, significantly to downgrade services at King George hospital in Ilford. It is not the first time that the problems in north-east London health services and hospital provision have been debated in Westminster Hall or the House. Indeed, I introduced debates in 2006, 2009 and 2010, and my right hon. Friend the Member for Barking (Margaret Hodge) introduced a debate in June about maternity services.

Members of Parliament throughout north-east London have been very concerned, and there has been cross-party consensus, in very unusual circumstances, involving eight Members of Parliament: myself, my right hon. Friend the Member for Barking, my hon. Friends the Members for Leyton and Wanstead (John Cryer) and for Dagenham and Rainham (Jon Cruddas), the hon. Members for Ilford North (Mr Scott), for Hornchurch and Upminster (Angela Watkinson), and for Romford (Andrew Rosindell), and the Secretary of State for Work and Pensions. We have had massive support in the community. Decisions have been made by local authority health overview and scrutiny committees and there is wide public concern, with huge petitions and public meetings, about proposals that were initiated in 2006 to downgrade services at King George hospital, the smaller of the two hospitals in the trust.

That trust, in the words of the first paragraph of the Care Quality Commission's summary,

> "had a history of poor performance under the previous regulatory framework. It has long-standing and escalating debts (in 2005/06 this was just under £16m; by 2009/10 it was close to £117m). There have been numerous changes at executive level."

Queen's hospital, Romford is the newer of the two hospitals, having opened towards the end of 2006. It cost a huge amount of money and is run under a private finance initiative arrangement, which has led to certain difficulties. There was high-profile publicity, particularly about deaths in maternity services, and the CQC began a series of investigations, as a result of which it decided to carry out a full investigation of the trust as a whole, encompassing both hospitals and all services. That investigation went on throughout this summer, and its report was published at 10 am on 27 October.

At the same time, there have been proposals from the NHS London region bureaucracy, driven by the people within it, who have a vision of reducing the number of hospitals in north-east London from six to five, transferring services to large hospitals and reducing facilities in the Redbridge and Barking and Dagenham areas. We have ended up with a series of proposals that, when they were initially put forward, were deemed by Professor George Alberti to be clinically unsound. Later, they were revamped, tweaked and remodelled, and they became known as the health for north-east London proposals.

Those proposals envisaged principally getting rid of the accident and emergency department at King George hospital, Ilford. There has been an accident and emergency department in the district general hospital there since 1931, when the population was 85,000. Now it is 264,000 in the London borough of Redbridge, and the hospital also serves Barking and Dagenham, with a population approaching 200,000. The proposals also included getting rid of King George hospital's maternity services, which serve young mothers in an area with a growing, diverse, predominantly ethnic minority population. Many of those young mothers have come recently to the United Kingdom, or at least have recently moved to Ilford. At the same time, it is proposed to increase the number of births taking place at Queen's hospital in Romford—the one about which there were particular concerns—to make it what some people have called a baby factory. Those words were used in the reports by the CQC and the independent reconfiguration panel.

In March 2010, following concern and a campaign against the proposals, the then Secretary of State for Health referred the matter to the independent reconfiguration panel. The IRP then decided not to carry out an investigation, but to allow the consultation process to continue. That process led to final proposals, which were published towards the end of 2010, and then went through the so-called consultation and decision-making process, based on the primary care trusts. The joint committee of primary care trusts rubber-stamped the proposals despite overwhelming public opposition: aside from the tens of thousands of people who signed petitions against the proposals, within the committee's own limited, and rigged, consultation procedure the public were opposed by a two-to-one majority—and an eight or nine-to-one majority in areas that were directly affected—to what was put forward.

We were told, however, that there was clinical support. There was no ballot of GPs, or system to ascertain what ordinary GPs thought.

Margaret Hodge (Barking) (Lab): My hon. Friend says that there was no ballot of GPs, but does he accept that I undertook a survey of GPs in Barking and Dagenham, and there was unanimous support for retaining the two A and E departments, at both King George hospital and Queen's?

Mike Gapes: Yes, I should have said that there was no official ballot of GPs, because, of course, the view of the NHS bureaucracy was that the clinical leadership and the practices should make the decision; therefore, there was a strange kind of managed democracy and consultation.

Mr Lee Scott (Ilford North) (Con): Does the hon. Gentleman also agree that it is possible that a number of the GPs who were spoken to were too concerned for their own futures to give their real opinion?

Mike Gapes: I suspect that that may be the case. A number of others were also on the payroll in one way or another—including many who were the lead GPs in the consortia that endorsed the proposals.

It is important to get the chronology right. Following the decision of the joint primary care trust meeting in December to endorse the proposals, all the councillors from all the parties in the London borough of Redbridge made a unanimous referral to the Secretary of State. The joint overview and scrutiny committee for all the boroughs in outer north-east London also made a referral to the Secretary of State. The Secretary of State then decided—the Minister will recall a previous debate in the main Chamber, in which we had an interesting exchange on the matter—to refer the case to a new independent reconfiguration panel investigation.

The IRP spent a lot of time talking to Members of Parliament and councillors, and it worked hard; I have no criticism of the consultation process. In its analysis, although it tended to group us all into one paragraph called, "Save King George Hospital" campaign, which covers many interviews and consultations, the community's opposition was reflected. The view was expressed, if tucked away, that the local community was overwhelmingly against the proposals.

The IRP published its report internally, but not publicly, and put it on the desk of the Secretary of State on 22 July, and there it sat. Two or three weeks after that, the CQC decided to carry out a full, no-holds-barred look at Barking, Havering and Redbridge trust. Understandably, I guess, the Secretary of State decided to hold back until he had received the CQC report before he published the IRP report and gave his official response; Members of Parliament expected something like that to happen.

Then, interestingly, everything went quiet. We originally thought that we were going to get an announcement in September, but September came and went. Then we thought that we would get an announcement in early October, but that did not happen. Eventually, three hours after the CQC report was made public, the Secretary of State published his response.

There is a little bit of history here. As a local Member of Parliament—I know that other MPs feel the same—I was not appropriately informed about the matters. BBC London news on television at 6.30 pm on Wednesday evening ran a story saying that the Secretary of State was going to announce at 12 o'clock the following day the closure of A and E and maternity services at King George hospital. I raised a point of order in the Chamber that evening with Madam Deputy Speaker, who had no knowledge of the matter—there was no statement or announcement to come.

The following morning, telephone calls to the private and press offices of the Department of Health ascertained that, yes, the news was true: there was going to be an announcement. To be fair, I was phoned back eventually, at 11.15 am, and told that the announcement would be made at 1 pm, and that I would be told in advance of it. That is true: I received an e-mail at, I think, 12.46 pm. Attached was a letter from the Secretary of State with a link to the IRP report, but the report was not available on that link; the link did not work until 1.10 pm. Other people had a similar problem, by which time the announcement was already up and running. Therefore, we knew what the decision was—to endorse the report—but we did not know the content of the report. That is a matter of concern.

Nevertheless, the essence of the proposal is that Barking, Havering and Redbridge trust will be completely reorganised, because the IRP recommended going ahead with the downgrading of services at King George hospital, despite public opposition and deep concerns.

I have a question. The CQC report was published at 10 o'clock. Is the CQC report consistent with the IRP report and the Secretary of State's decision? The Secretary of State, having read the CQC report, should have thought hard about whether to endorse the IRP report. The CQC report is absolutely damning about services at Queen's hospital. It contains some criticisms of King George, principally because that hospital is in the same trust as Queen's, with the same management, which the report is also strongly critical of. However, of the 73 recommendations in the CQC report, concerning maternity, A and E, children's services, dealing with complaints from MPs, quality of care, cleanliness and all kinds of other issues, the vast majority relate to the new, five-year-old, private finance initiative-built Queen's hospital in Romford. The report explicitly says on occasion that the recommendations do not apply to King George and that at King George, there is a different case. We have a series of absolutely damning recommendations relating to the larger hospital in the trust.

I do not wish to go through the report in great detail, as it is a long document. If people are looking for horror reading at Christmas, I recommend taking the report away and reading it. Apart from criticising poor management, it says that some staff, particularly in the maternity services at Queen's, have very poor attitudes to the patients whom they are treating. It also confirms that attempts to cut the deficit at Barking, Havering and Redbridge trust over the years have led to reductions in the quality of care.

The IRP report also flags up concerns, saying that if the trust drove on with the deficit reduction programme and reduced the number of staff and beds, there could be an issue with quality. Damningly, the report makes it clear that although services at King George were reduced over the years, it has not led to efficiency savings. All it has done is reduce the quality of care in a hospital that serves my constituents and those of a number of other MPs. The cost of doing that has not led to improvements in efficiency; on the contrary, it has contributed to the ongoing deficit problems in the dysfunctional trust.

There we have it. The Secretary of State receives a report from the IRP recommending the endorsement of NHS London's vision to downgrade services at King George hospital in Ilford. He then receives a report saying that there are two hospitals in the trust, covering 750,000 people in the community in the three boroughs, one of which is doing badly and there are criticisms of the other. He therefore endorses the recommendations to cut the services at the hospital that is doing better, on the aspiration, but with no evidence, that it will lead to a miraculous Stakhanovite improvement in the services at the bigger, supposedly better and more expensive hospital in the long term. You really could not make it up.

The Secretary of State could have delayed his decision on the IRP report. He could have said, "I am concerned about the CQC report and the damning indictment of what is going on at Queen's hospital. I have waited three months with the report sitting on my desk, and I will wait another year to see whether I am satisfied that the improvements at Queen's hospital are happening and have happened, that the quality of services provided is sufficient and that there has been an improvement in primary care services, which is also called for in the IRP report." He could have waited, or he could have said, "I have made an announcement. I am minded to support the recommendations unless there is a significant improvement at Queen's hospital and other services."

The Minister of State, Department of Health (Mr Simon Burns): I am grateful to the hon. Gentleman for giving way, and I hope this reassures him. As he will know from the decision, nothing to do with the IRP proposals will come into effect until the problems highlighted in the CQC report have been remedied, and the time scale for that in many ways fits in with the hon. Gentleman's point.

Mike Gapes: I am sorry, but that is not good enough. The Minister gives the impression that the Secretary of State has somehow not "fully supported"—to use his own words—the recommendations. The letter that I have from Heather Mullin of the Health for north east London programme states that the Secretary of State fully supports the recommendations of the IRP.

Mr Burns: The hon. Gentleman is making a fallacious point. I have never said that at all. It is quite clear from the letter that my right hon. Friend the Secretary of State sent to him and to other hon. Members that he does. The point that I was making in my intervention is that he said that the IRP proposals should not come into effect until the problems have been sorted out at the two hospitals. I am saying that it has already been accepted that those improvements have to be made prior to the IRP proposals coming into effect, which is what I understood that the hon. Gentleman was saying should happen.

Mike Gapes: I am saying something different; I am saying that the Secretary of State could have delayed his decision or that he could have said that he was minded to—the words that I used—support the proposals, but would not make a final decision until he was satisfied.

I spoke to people within the Health for north east London programme last week. I asked them what the timetable for the implementation of the proposals was, and they could not tell me. I asked them whether babies will be born at King George hospital, Ilford, in five years' time, and I was told, "Almost certainly not." I therefore asked whether babies would be born there in two years' time, and I was told, "They may be. We have not yet worked out the detail of these proposals. There is still a lot of work to do."

Mr Burns: There is no secret about this. The improvements to care must first be achieved at the hospitals before the IRP proposals are enacted. It is anticipated—one can never be 100% accurate—that the time scale will probably be about two years.

Mike Gapes: I give way to my right hon. Friend.

Margaret Hodge: Perhaps the Minister will be able to help us in his reply, but my understanding is that the business plan put forward by NHS Outer North East London at the end of the summer suggested that, for the finances to stack up, the proposals will have to be implemented by April 2012. If that has been superseded, that is welcome news, but the local information is that the NHS ONEL business plan suggests the closure of the A and E and maternity services by April 2012.

Mike Gapes: There is obviously some uncertainty, because I was not told that when I spoke to NHS ONEL. Perhaps it is having a rethink in light of the report.

Mr Scott: If it is helpful, I have also received a letter from Heather Mullin stating exactly what the Minister has said, which is that two years is the minimum time scale for things to be looked at.

Mr Burns *rose—*

Mike Gapes: I am happy to keep giving way.

Mr Burns: To respond to the hon. Gentleman and the right hon. Member for Barking (Margaret Hodge), I will repeat what I said before, which is that it is of paramount importance that the recommendations and demands of CQC are met before anything happens with the IRP recommendations, because patient safety is paramount. As far as can be assessed, it will probably be two years to get patient safety to the required levels and to address all the problems highlighted in the CQC report. Whatever the hon. Gentleman or the right hon. Lady may have heard from other people, we estimate that the time scale will probably be about two years, because the CQC's requirements are paramount.

Mike Gapes: I would like to move on to what the CQC actually said, because it has made several criticisms and expressed deep concern. It will prove difficult for the management of the trust and the present configuration of Queen's hospital to meet the required improvements within a two-year timetable. My right hon. Friend the Member for Barking and I have visited the hospital, and there are, for example, bottlenecks where people are on trolleys around the corner where they cannot be seen, which is pointed out in the report. There are design faults, and it is a bit like Eros at Piccadilly circus with trolleys suddenly coming from both directions. This newly designed hospital has a level of chaos. Whoever was responsible for signing off the design must have decided that it was an airport rather than a hospital, because the design has big issues—

Mr Burns *rose—*

Mike Gapes: Before the Minister intervenes, I am criticising the previous Government, the private finance initiative and the people in the consultancies and the private sector who run the PFI and make a huge amount of money from it, for designing a hospital that does not work well. The reports state that. They criticise the bad signage, the design and the way that wards are structured. Queen's hospital has, for example, areas where children cannot be seen and areas where people wait for more than an hour before being attended to by a nurse or

[Mike Gapes]

doctor. There is a whole litany of things that relate partly to design, partly to management, partly to staff shortages and partly to other issues at the hospital.

I do not believe that Queen's hospital can be turned around in the suggested time scale, and that raises wider questions. The CQC wrote to me after I asked for an update following the publication of its report, and I received it yesterday. The update confirms the reasons why it had to intervene, which included the poor performance of the trust in the past and the fact that long-term problems prevented offering care that consistently meets CQC's essential standards. To be fair, the CQC refers to both hospitals. It continues by saying that they have taken action to mitigate the risk of immediate harm in the short term, which includes reducing births at both Queen's hospital and King George hospital and transferring caesareans out of the area. When they will be transferred back is an interesting question, which we can perhaps come to later. The update also states that the CQC met many staff and patients and that their concerns were made known, but the nub of the issue is that if improvements are not forthcoming, the CQC is prepared to restrict access to or close services that appear to be basically unsustainable. It then states that the CQC is not responsible for service reconfiguration.

The CQC, therefore, is not yet convinced that the 74 improvements that it has requested will be met. The final paragraph in the letter to me states that the CQC has set out 16 key recommendations that must be fulfilled by the trust and that it will monitor their implementation, but it admits that the trust needs help from organisations in the local health economy such as NHS London and commissioners and that the necessary significant changes are likely to challenge both clinical flows and trust finances.

There it is. We have problems with capacity and money, and we have a decision from the IRP and the Secretary of State to downgrade King George hospital, but serious concerns remain about Queen's hospital. Are we confident that within two years those problems will have been addressed sufficiently well, at a time when there are financial problems; that Queen's hospital will suddenly have been turned around, so that it is such a fantastic place that my constituents and the constituents of my neighbouring MPs—my right hon. Friend the Member for Barking and my hon. Friend the Member for Dagenham and Rainham—will feel happy to go into it to give birth to their children? I already have constituents expressing concerns because of the media reports and other things that are going on.

The CQC report points out that in the past there were more than 2,000 births a year in the King George hospital; at one time, there were 2,500 births a year. However, those numbers were deliberately run down by the trust to around 1,300 births a year. Then, a few months ago, the trust began to push the numbers up again, because Queen's hospital could not cope. Within two years of now, the capacity for births at King George hospital—a capacity of around 2,000 births a year—will go. We are told that some of that capacity will go to a midwife-led birthing unit on the Barking hospital site, where there are currently about 10 births a week, or about 500 births a year. I am told that that figure is the maximum for that unit, although I do not know whether that is accurate. There is no proposal to have a similar unit on the King George site. That idea was floated in the consultation, but it was ruled out.

We have had a maternity hospital in Ilford since 1926; children have been born in that hospital since 1926. But from 2013 there will be no children born in that hospital, even though we have a young population. People in Ilford will be forced to go to the Queen's hospital, where there is capacity for 9,000 or 10,000 births a year. It will be one of the largest maternity units in the country and it has been described as a "baby factory" in one of the documents that I have referred to this morning. Alternatively, they can go to Newham hospital or Whipps Cross hospital. Apparently, the facilities for babies to be born at Newham hospital or Whipps Cross hospital will be increased, although the cost of doing that is undefined. That will happen, while the perfectly good maternity service that exists in Ilford at King George hospital is being run down. My constituents will have to travel to Havering or to Whipps Cross. It is not easy to get to Whipps Cross from Ilford lane; the route is complicated and there are sometimes lots of traffic problems. There will be concerns about that.

Interestingly, Havering has the oldest population of any London borough; that is pointed out in the IRP report. The boroughs with the youngest populations in London are Barking and Dagenham, and Redbridge. So we have this huge increase in young people in north-east London, but their hospital will not be in the communities where they live. I could understand it if we had had a hospital at Queen's hospital that provided long-term care for people suffering from long-term illnesses, mental health problems and so on, and if we had our maternity hospital in the area where most of the births were taking place. But oh no—the IRP, Health for north east London and the Government do it the other way round. We pointed that out in the consultation and the local MPs and councillors kept making these points, but we have been ignored.

Mr Brady, I am conscious of the time and that other Members wish to speak, so I simply want to get back to the CQC. I have been told that the CQC will review in March 2012 whether or not the Barking, Havering and Redbridge University Hospitals NHS Trust is delivering improvements. The CQC says:

> "If we do not see improvements, we are prepared to take further action to restrict and ultimately close services that do not deliver care that meets our essential standards of safety and quality, and that present risks to people using services."

That review is due to take place in March 2012, which is not very far away. It is not two years away; it is just a few months away.

I hope that the quality of care at Queen's hospital improves sufficiently; I hope that services at King George hospital are not run down by surreptitious salami-slicing cuts in preparation for the implementation of Health for north east London's plans, as they have been for several years now; and I hope that quality of patient care and treatment for my constituents is put ahead of the bean-counting desire to reduce the deficit at the Barking, Havering and Redbridge University Hospitals NHS Trust.

However, I am not confident that those things will happen. I am extremely angry at the betrayal of my constituents by the bureaucracy in Health for north east London; by the Minister, who said before the general election last year that there would be no top-down reorganisation; and by others, who said that they would keep district general hospitals open and that those hospitals should not close. The Prime Minister said that in 2007. In 2009, he promised "a bare-knuckle fight". That was in the context of Chase Farm hospital, but the principles involved are the same. I feel that we have been betrayed and that our services are going to be reduced, and I fear the consequences of that for my constituents.

Mr Graham Brady (in the Chair): It may be helpful for right hon. and hon. Members to know that I anticipate taking Front-Bench contributions from 10.40 am. Colleagues can work out for themselves that we may be able to get everyone in to speak if speeches are reasonably short.

10.5 am

Mr Lee Scott (Ilford North) (Con): I am grateful for the opportunity to speak in this debate.

Before I talk about anything to do with the hospitals that we are discussing today, we should praise the doctors, the nurses and the back-up staff at Barking, Havering and Redbridge University Hospitals NHS Trust. After everything that has happened in these last few weeks, particularly the reports on the trust, morale must be pretty low. I do not believe that those staff are to blame for the problems at the trust. I believe that criticisms of staff can be made and that there are things that need to be learned, but I also believe that the fault for the problems lies much more with the previous senior management at the trust than with the doctors, nurses, back-up staff and front-line staff. Of course, recommendations for improvements have been made, but those staff took their orders from others and we should try to build morale rather than knock it down. That is what I genuinely feel.

I, along with other right hon. and hon. Members in our local area, thought that the Care Quality Commission report was going to be bad, but I did not think for one moment that it would be quite as bad as it turned out to be. It was damning of just about everything. It was probably easier to see what was right than what was wrong, because the good points were fewer than the bad ones.

I will talk about the CQC report in depth, and at this point I want to mention that I am talking on my own behalf and that of my hon. Friend the Member for Hornchurch and Upminster (Angela Watkinson), who is a Government Whip and therefore is unable to speak in this debate. If she disagrees with anything I say, I am sorry but that is too bad. The damning report by the CQC was ostensibly of Queen's hospital, but it also points the finger at King George hospital. As with the independent reconfiguration panel report, I was disappointed, upset and angry that the decision that was made had been taken.

I will begin with accident and emergency. In my own constituency of Ilford, North, I believe that a large additional burden will be placed on Whipps Cross hospital. My guess is that in an emergency, people from wards such as Woodford Bridge, Fairlop and Fullwell will go to that hospital, rather than cross the A12 right the way through to Queen's hospital, so there will be a major problem at Whipps Cross.

The CQC report and the letters that I have received say that, that owing to the pressure of our one-paragraph "Save King George Hospital" campaign, the urgent care centre will now be manned by doctors, nurses and some specialists 24/7, 365 days a year. I acknowledge that, and I am grateful for it. However, in his response to the debate, will the Minister say whether we can look at taking the next step and going a bit further to make that urgent care centre an A and E department.

Regarding maternity services, during the consultation I had a meeting at Barking, Havering and Redbridge University Hospitals NHS Trust, and I believe that the hon. Member for Ilford South (Mike Gapes) had a similar meeting, although we were not allowed to have meetings together, for whatever reason. It was hinted—quite strongly—that a birthing unit would remain, in some shape or form, at King George hospital. I do not know what happened to that idea, but I would like it to be considered, because it came through loud and clear at the meeting that I attended.

Mike Gapes: I recall the conversation that I had very well. I was told that the local trust wanted to have the birthing unit, but that they had to get the approval of NHS London and that, as usual with regard to services in Ilford, NHS London's bureaucracy was less inclined to go along with it.

Mr Scott: I thank the hon. Gentleman for that intervention.

I want to praise the hospital's new management. Averil Dongworth is doing a good job with her staff. She inherited a difficult situation, with a £117 million deficit and low morale, and she should be praised for doing her utmost to turn things around. The CQC report stated that things had improved over the past months.

The hon. Gentleman said that there are 265,000 people in the London borough of Redbridge alone and, given the amount of new build that has outline or detailed planning permission, the population is going to grow considerably. I understand that the situation is similar in Barking and Dagenham, and it is estimated that the area could grow by about 50,000 people in the next five years or so. When I met with the independent reconfiguration panel and the CQC, I mentioned that issue in relation to my own constituency, and I am sure that colleagues have also done so.

On the ballot of GPs that did not take place, GPs were consulted and the report says that they gave their blessing to what was happening. However, that seems to contradict what I heard from a number of GPs who contacted me in private, as they made it clear that although they did not feel confident enough to make their views public they had grave concerns. I know that that is anecdotal, but I want to put it on the record. It certainly happened with me; I know not whether it happened with other Members, but I would be surprised if it had not.

I think that it is fair to say that the private finance initiative at Queen's hospital has been a failure. It was badly negotiated—the hon. Gentleman acknowledged that that was done by the previous Government and not the current one—it was a bad deal; it was badly set out and there are grave concerns. I understand that the

[Mr Scott]

planning applications for the new units that would need to be built at Queen's have not even gone in, and are unlikely to do so before the new year. The time scale for the build ties in with the two years the Minister mentioned earlier, so that would obviously be a constraint.

In a letter to the hon. Gentleman, we heard that the CQC would undertake a re-evaluation in March 2012. I urge it to make a full report before any changes are made—in two years' time or whenever—to say, "Yes, we are satisfied that our 73 points of concern have been rectified."

Mr Simon Burns: As my hon. Friend will appreciate, the CQC is independent of the Department of Health, because it is a regulatory body that is concerned with standards of quality. Knowing how it works, however, I have no doubt that on an ongoing basis it will look closely at ensuring that its recommendations are implemented and the required standards for people in that community are reached.

Mr Scott: I thank the Minister. I am sure that the CQC will take note of what the Minister, other colleagues and I say in this debate. I have presented petitions signed by a total of 39,000 people, and other Members have presented petitions directly to Downing street; via our local *Ilford Recorder*, to which I pay tribute for its continued campaign; and in other ways. I am sure that it is an underestimate to say that there must have been a total of 50,000-plus signatures.

Mike Gapes: I presented 25,000 signatures, which became 28,000, to NHS London on the initial proposals, and another 32,000 in the latest round. Adding all those together with the ones that went in from other groups, I would guess that it was more like 100,000.

Mr Scott: My arithmetic shows why I will probably never be in the Treasury. None the less, a huge number of people have signed petitions.

I ask the Minister to take on board the fact that there is cross-party support for keeping the services that our constituents need at King George's, and to consider upgrading the urgent care centre by renaming it an A and E and adding a little to it—I do not ask for a lot in life—and a birthing unit at King George's.

10.14 am

Margaret Hodge (Barking) (Lab): I congratulate my hon. Friend the Member for Ilford South (Mike Gapes) on securing this debate and on giving us the opportunity to comment on something that impacts on all constituents of all hon. Members participating today.

I am really disappointed, because I feel that the Minister and his Secretary of State have reneged on promises that he gave to my constituents before the election. First, he said that he would never close the A and E, and we all know that the closure of such a department means the closure of a hospital over time, because most patients who go through a hospital come in that way. Secondly, he said that there would be more money in real terms for the NHS. Sadly, that is not true either, and it is impacting dreadfully—*[Interruption.]* The Minister can reply if he wishes. A 0.1% increase in cash terms is not real-terms growth, especially when inflation is running at about 5%. Thirdly, he promised no more top-down reorganisation. In north-east London, we are suffering from his reneging on those three promises. He must listen to that, because it has a terrible impact on the quality of the health service offered to my constituents. I have said to him privately, and will say to him publicly, that that will grow health inequalities in London.

I do not want to repeat what others have said about the Care Quality Commission. What I will say is that a lot of emphasis has been placed on confidence in the new management at Queen's. I am on my fifth chief executive there, and every time a new one arrives, I think, "Perhaps this one will be a little better." The new chief executive has been in place for six months, and so far I am not sure about that confidence. If one looks at the maternity services, why in September did we suddenly see elective caesareans being transferred from Queen's to the London hospital? None of us knew why; none of us could understand it; none of us was told the reason, but it was because the CQC went back into the maternity unit because it was so bad and threatened to close the entire unit. The only way for the hospital to maintain the unit was for it to accept that caesareans should be transferred. The teams were not talking to each other; people were not taking responsibility, and no one was putting the patient at the heart of care, but the required cultural change has not occurred. Yes, new midwives are being recruited, but not at the right grade and not to manage the unit. The Minister is putting too much on Averil Dongworth, because she will not be able to turn around those cultural issues. The record so far shows that she does not share information freely, particularly with Members of Parliament, and that she has not done much.

The most recent case that I have had at the unit is an anonymous one—the woman does not want to reveal her name, although the case will be investigated. This mother was left for hours without being checked on, and it was her mother—the grandmother—who had to look after her. She was almost lifeless and delirious, and she was discharged without anyone checking her scar from the cuts she was given or changing her dressing. She was asked to give water samples, but they were left in the bathroom and were still there when she left, which is just not on. Queen's provides facilities for 7,000 births, and if the proposals go ahead that will increase to 9,000, making it the biggest single maternity unit in the country. Given the quality of care, the problems faced and the population growth, it is sheer madness to go ahead with a proposition that closes a hospital in this area of London.

Perhaps the Minister will give us some words of comfort about the finances. The trust's finances have been in a mess for ever, since well before the Labour Government came into office. I assure the Minister that when I became a Member of Parliament in 1994 there was already a deficit in the trust. David Varney, a well-respected and talented man with a lot of experience, was chairman of the trust although for a very short time, and I breathed an enormous sigh of relief that at last we had someone there who could sort the trust out. He went to NHS London and said, "Write off the debt, give me a blank sheet of paper and I'll provide you with a decent health service within budget." NHS London refused, so David Varney walked away. That was a tragedy for the people of that part of London, and such tragedies will continue to be repeated. The problems will not be sorted out until somebody grasps them properly and says, "Right, we will do something about the finances," enabling the trust to run a decent service within budget rather than always chasing a deficit.

One thing about the CQC report that has not been raised is that it is about not only maternity but accident and emergency. One of the most shocking things, for me, involves radiology. The results of scans are just sitting around. Some scans show a possibility of cancer, but individuals are seen so late that the cancer has grown. People's lives are being threatened and death warrants are being written simply because the hospital has no systems to transfer knowledge from a scan to a consultant who can quickly pick up on the symptoms and deal with the patient.

That is awful, as is the fact that people sit in theatre all the time. The fact that A and E is bound to be bad again this winter is awful. The fact that proper records are not kept of who has had cannulas inserted for treatment is awful. The culture throughout the hospital is awful, and it seems to me that it will take a heck of a lot more than Averil Dongworth, whose only record is the closure of Chase Farm hospital, to turn that around.

I am conscious of time. I campaigned for years to reopen a birthing unit at Barking hospital, for all sorts of reasons, including pressure on Queen's, population growth and the fact that I wanted babies to be born in Barking again. I was grateful when it was finally built. Those hospital beds have been ready for occupation since March this year, but they are still not occupied. When I last asked NHS London what was happening, I was told that the unit would be open by March next year. That is a 12-month wait. If the hospital is kept empty, £1 million in costs for security, electricity, heating and so on will go down the drain each year. Now the deadline has changed from next March to next spring.

That is absolute madness. There is pressure on Queen's. Queen's is failing to deliver, so people are being sent to London, while a brand-new facility that could provide for many more births than my hon. Friend the Member for Ilford South has suggested stands empty. Will the Minister give us an assurance that the unit will be open not next spring but by Christmas, so that people in my constituency can have hope?

The decision whether to close the A and E at King George hospital was predicated on the idea that fewer people should go to A and E; I agree. If and when the Minister can demonstrate to me and other Members of Parliament that fewer people are actually going to A and E, maybe we can have a serious conversation about whether that part of north-east London has too many hospital places. The reality is that we have a mobile and transient population, many of whom have not registered with a GP and who, if they want to access health care, go first to A and E.

Another reality is that GP and community services also have issues. Before taking a decision, is the Minister willing to do a comprehensive inspection of GP services in my area to ensure that they can fulfil the demands on them, as the decision to close assumes they can? If GP services prove to be up to scratch, again, I am willing to enter into conversation with him about whether there are too many hospital places. However, at present, he is letting down the people in my borough.

Time and again people say to me, "I rang the GP at 6.30 in the evening. He said to ring back the following morning. I rang at 8 o'clock in the morning, and I couldn't get through. By that time, I felt that the only way to be seen was to go to A and E." *[Interruption.]* The Minister looks at me in amazement. That is the reality on the ground.

Mr Simon Burns: I am fascinated to hear the right hon. Lady say that. Does she know who the authors were of the GP contract that ended evening and weekend work for GPs? It certainly was not my Government.

Margaret Hodge: Making a political point does not get at what is happening in practice. It is not about the contract; it is about the practice, attitude and culture in the whole NHS economy in our part of north-east London. That is the problem that the Minister must tackle. Making a cheap political point does not help make any advances in the quality of health care in my quarter of London, for which he is responsible.

Finally—I have said this to the Minister privately, and I will say it publicly—there is inequality in health care across London. The teaching hospitals in the heart of London take away necessary resources from outer London, whether north-east or south-east. If Queen's becomes the only hospital in our part of London, it will have to meet the health needs of 500,000 people, according to the CQC. The catchment area in inner London has a population of about 200,000. It is completely different.

I have spent my whole adult life bringing up my children in north London. The catchment area where I live has four hospitals that I can reach within 10 minutes and that provide excellent health care for me and my family. In north-east London, where I work, if King George hospital closes, it will take those who live on the Thames View estate an hour and a half on three buses to get to Queen's hospital. People with weekly hospital appointments will not go. With the greatest respect to the Minister, that means that they will die earlier. His Government have said that they want to tackle health inequalities. Our Government tried to tackle them, but did not make much progress. Those health inequalities will grow.

Why does the Minister not take a bold move and consider the configuration of teaching hospitals in inner London? For example, the Royal Free hospital is not a good hospital. The physical building is terrible, and it sits on an extremely valuable site that would do a lot to sort out the financial situation faced by the NHS, but some talented and good people with the right culture and attitude work there. Those people ought to be working in areas of health need, such as our bit of north-east London. They should be operating out of the brand-new Queen's hospital on the Romford site. If he did something radical and sensible like that, it would improve health outcomes for people in my constituency. It would also help him tackle some of the financial problems that he faces, and it would make sense in terms of tackling health inequalities across the capital.

10.28 am

Jon Cruddas (Dagenham and Rainham) (Lab): I echo every point made by my right hon. Friend the Member for Barking (Margaret Hodge) in her powerful speech,

[Jon Cruddas]

which I think will resonate with the local community. I congratulate my hon. Friend the Member for Ilford South (Mike Gapes) on securing this debate and on the extensive speech that he made, as did the hon. Member for Ilford North (Mr Scott). There is total agreement across the aisle on issues of local concern about the provision of health care in north-east London and the sub-region. I will not repeat the points made, but I will emphasise a couple of them, especially about the pressure on Queen's hospital if the King George closes. Those points are echoed in the report, and I will touch on them.

I welcome the Care Quality Commission's investigation of Queen's hospital. I recognise that it must have been a stressful and worrying time for many people involved, but it is definitely a process that we needed to go through. The report has 16 key recommendations for the future, and I, like my colleagues, will support the chief executive and her staff in trying to meet them. I have major concerns, however, about how the two reports will affect each other, specifically in relation to Queen's hospital. Many of my constituents are extremely worried about the proposals to close the A and E and maternity services at King George hospital, especially when the only alternative for them is to go to Queen's hospital.

Some figures have not been cited this morning, but they are worth rehearsing. According to page 26 of the independent reconfiguration panel report, planned activity for 2011 for Queen's hospital is 885,511 people, while for King George hospital it is 284,459. The combined total of 1,169,970 people simply cannot be treated by Queen's hospital alone. A 24% increase in patient numbers will result in havoc in a hospital that is struggling to cope with its current intake of patients. The estimated increases from 2010 to 2017 of 12.5% in the Barking and Dagenham primary care trust and of 5.7% in Havering PCT demonstrate that the acute sector in the sub-region has a serious structural problem, and closing the services at King George hospital will do nothing to help.

The question of the structural debt has been raised throughout the debate. The trust is clearly suffering from its escalating debts. From 2005-06 to 2009-10, the trust debts rose from £16 million to £117 million. Those levels will only increase and make any future improvements very difficult to sustain. That takes us back to the changes in the staffing of people who were keen to remove some of the structural debts to resolve some of the health problems that we have seen over the past few years, but who have since departed because they did not receive the support that they desperately needed to secure that.

I want to touch on the four general issues in the CQC report. First, capacity at Queen's hospital is already too high for hospital staff to cope. The report states:

> "An independent review of maternity services at the trust was undertaken at the beginning of 2011, which concluded that 'Capacity at Queen's is of major concern to the review team'. The recommendations from this review included the need to develop measures to ease the capacity at Queen's, including 'an impact assessment of the changes at KGH. It should also include an updated Escalation Plan, with clear indicators relating to capping numbers at Queen's and temporary closure if required in the interests of patient safety'."

Nevertheless, the Health Secretary is looking to increasing capacity further. Does the Department not understand what multiple panels are recommending to it?

Secondly, on demographic changes, which have also been mentioned, the IRP's decision to transfer maternity services to Queen's hospital seems peculiar, given that the CQC report states that

> "King George Hospital is geographically located for the populations of Barking and Dagenham and Redbridge,"

an area with an expanding, multicultural and relatively young population and a high level of teenage pregnancies. Under the IRP's recommendations, however, provision of maternity services would be predominantly from Queen's hospital. Moreover, as has been mentioned, a third of the population of Havering is over the age of 65, which means a different health profile and different needs in the sub-region that cannot be catered for solely by Queen's hospital. With people living longer and the population growing at an ever-increasing rate, the number of patients presenting at Queen's hospital will increase year on year, and it is very unlikely that it will be able to manage these levels in five, 10 or even 15 years' time.

Thirdly, on travel, it does not help the fears of local residents that, historically, transport links between the hospitals have been incredibly poor. My right hon. Friend the Member for Barking has mentioned the Thames View estate. It can easily take someone living on the other side of Ilford up to an hour and a half to get to Queen's hospital, as opposed to 20 minutes or less to get to King George hospital.

Mike Gapes: I travel to Queen's hospital by public transport. If people get the train from Ilford to Romford and come out of the station, they will see that two buses on one side of the road go in one direction to Queen's hospital, and that two buses on the other side go in the other direction. I have been pressing for years for proper signage at Romford station, and, while various chief executives of the trust have said that they will do it, they still have not done so. The links for people who have to rely on public transport to get to Queen's hospital are appalling.

Jon Cruddas: I agree. The point has been made in Havering, Barking and Dagenham, and Waltham Forest, as well as Redbridge.

The fourth point relates to evidence of no gains from the previous transfer of services in the sub-region. There has already been a long, ongoing transfer of services form King George hospital to Queen's hospital, but the efficiency gains that were predicted have not occurred, as my hon. Friend has said. What are the guarantees that any future transfer of resources will lead to such efficiency gains? What is the correct move for both hospitals and the wider trust to see a rise in standards and for the faith of local residents to be restored in their local NHS trust? If that is to be achieved, King George hospital's A and E and maternity services simply cannot close. It would go against all logic suggested by the CQC report and cause no end of damage to the confidence of residents in their local hospitals. I urge the Government to step in and implement the CQC report and hold back the IRP report, until we can re-evaluate after the CQC has been able to see whether its initial recommendations have been met.

My right hon. Friend the Member for Barking has talked about one case that was recently brought to her attention. All local MPs have a series of cases that are equally dramatic and heart-rending. A few hours after the two reports were published on 27 October, I received this e-mail:

> "Just wanted to give an example of what could happen if the above A&E is closed."

The correspondent is referring to King George hospital. They continue:

> "Two weeks ago I had to take my eldest daughter to Queens as she thought she was having an early miscarriage. All the spaces in the Early Pregnancy Unit were full, (apparently they even called in the consultants), we had to wait in the A&E department for approximately 7 hours before she was seen by a doctor, she could not have a scan as there were 15 women in the unit which meant it was full, so she was sent away and told that there was no point in returning at 9am as they had a full unit to clear before they could see her. We tried to arrange a private scan but were unable to do so (not that we are awash with money but she was distraught). Homerton agreed to see her and scan her and we are returning there tomorrow, unfortunately we are almost certain that she has lost a much wanted baby.
>
> How is Queens going to cope if King Georges is closed as they are not coping now?"

Overall, such reports confirm what all the local MPs have known for years about the standards of care throughout the sub-region. The pressures are growing. Extra capacity is needed and should not be cut.

10.37 am

Andrew Gwynne (Denton and Reddish) (Lab): I welcome you to the Chair, Mr Brady, and congratulate my hon. Friend the Member for Ilford South (Mike Gapes) on securing this important debate on the issues facing his local hospitals. I know that he, my right hon. and hon. Friends, and other Members across the party divide have campaigned extensively for their local health services, and I commend them for it.

The Government are implementing a number of much wider changes in the health service—I will touch on those later—but my hon. Friend must be disappointed with the recent decisions made about the hospitals in his area and the health services used by his constituents. He and others have mentioned the recent Care Quality Commission report on the standard of care received by people under Barking, Havering and Redbridge University Hospitals NHS Trust. The report had immediate concerns in relation to maternity services, identified failings in emergency care and radiology, and demanded widespread improvement.

As Members have mentioned, Queen's hospital had the most serious concerns, including poor clinical care, verbally abusive and unprofessional behaviour by staff towards patients and colleagues, and a lack of learning from maternal deaths and incidents. The report states:

> "Despite some signs of improvement in recent months, patients remain at risk of poor care in this trust".

It also notes that the trust addresses issues on a short-term basis, under instruction, rather than proactively looking for longer term solutions. The report also states:

> "There is past and current evidence of poor leadership from some managers and a culture among some staff of poor attitude and a lack of care for patients, especially in maternity."

That is of extreme concern, and those views have been reinforced in this debate. The report also confirmed that attempts to cut the financial deficit at Barking, Havering and Redbridge trust led to reductions in the quality of care.

About three hours after the CQC report was published, the Health Secretary made an announcement about King George hospital, which now looks set to lose its A and E and maternity units. We know that the Health Secretary backed the IRP's proposal for services to be expanded at nearby Queen's hospital in Romford. That raises the question why, when the report on King George hospital was presented to the Secretary of State on 22 July, it then sat on his desk for more than three months and he chose to release its conclusions and recommendations on the same day, three hours after the CQC report.

From articles in the *Ilford Recorder*, in the constituency of my hon. Friend the Member for Ilford South, I see that there is a great deal of concern and consternation about that decision. Indeed, my right hon. Friend the Member for Barking (Margaret Hodge) described the decision in the press as "sheer madness", outlining how Queen's hospital is already having difficulty dealing with existing pressures—an issue which she raised today. My hon. Friend the Member for Ilford South previously described the decision as a disaster and is quoted in the *Ilford Recorder* as saying that the decision on King George hospital showed an

> "absolutely contemptuous attitude to local people's wishes and concerns".

The proposed changes will not take place until the Barking, Havering and Redbridge University Hospitals NHS Trust, which runs both sites, tackles the issues raised by the CQC. The Minister went into a little more detail about that in the debate. However, it is not just the disruption, but the uncertainty of local people, who will no longer have access to A and E and maternity services on their doorstep, that should be of concern to all hon. Members.

Yes, we need to acknowledge that reconfigurations are unpopular. We went through that a few years ago in Greater Manchester. Nevertheless, given public opposition and the views of the overview and scrutiny panel, local MPs and members of the local authorities across party, will the Minister say what account has been taken of the level of local opinion on the local health services by the IRP? My hon. Friend says that it was in its report, but what weight did the IRP and the Secretary of State give to that level of opinion?

Mr Simon Burns: May I help the shadow Minister? The consultations—not on the IRP level when it was doing its work, but on the proposals themselves—have, since 20 March 2010, had to fulfil the four conditions for reconfigurations set out by my right hon. Friend the Secretary of State, which include consulting local people within the health economy and local opinion.

Andrew Gwynne: I appreciate that, but we heard today that there is a great deal of concern across local authorities and the communities, and I would like to know what weight was given to their views.

Margaret Hodge: Does my hon. Friend agree that it appears that money has been the key factor in forming the decisions, and not the care of people? The views of bureaucrats have taken precedence over the views and experiences of local communities.

Andrew Gwynne: Absolutely. We recognise that reconfiguration is sometimes necessary in parts of the country for reasons of financial efficiency, safety and better health outcomes. However, people are rightly disappointed by the way in which the nature of the debate changed in the run-up to the general election. As hon. Members rightly said, the general election was fought with a pledge about hospital closures and reconfigurations that is not being met. Back in 2010, the now Prime Minister clearly promised a moratorium to stop closures. Indeed, in opposition both he and the Secretary of State toured the country making promises to overturn some very difficult reconfiguration decisions taken by the previous Labour Government. Yet, as we have seen, the moratorium has not materialised, and there is now evidence of major changes to hospital services across the country.

I do not want to stray too far from the subject, but it is worth remembering that the Prime Minister gave a firm pledge not to close services at Chase Farm hospital, but in September 2011 the Secretary of State accepted the recommendations of the IRP and approved the downgrading and closure of services at Chase Farm. Similarly, at the Fairfield maternity department near Bury, we were told on a visit by the now Secretary of State that the service would be kept open. We now know that the maternity department at Fairfield general hospital is scheduled to close in March 2012.

My hon. Friend the Member for Ilford South raised concerns about the ability of Queen's hospital to improve when the NHS faces tough financial challenges in the years ahead. That is fair comment. At the general election, Labour promised to guarantee to maintain NHS front-line funding in real terms. In contrast, the Prime Minister offered real-terms increases. We can debate that another time, but I would suggest that that was just an electoral gimmick. The Treasury figures show that in 2009-10 health spending was £102,751 million in the last year of the Labour Government. In 2010-11, actual health spending was £101,985 million.

Mr Simon Burns: Will the hon. Gentleman be kind enough to tell hon. Members that the health spending figures for the financial year 2010-11 were set by his own Government, and that, for the lifetime of this Parliament and thereafter, we are increasing health spending in real terms, albeit a modest increase because of the financial mess we inherited, which needs to be sorted out?

Andrew Gwynne: I said that that was the actual health spend for the first year of this Government, which represents a real-terms cut of £766 million, according to Treasury figures. That includes the GDP deflator, which so excited the Minister during the Opposition day debate when my hon. Friend the Member for Leicester West (Liz Kendall) tried to raise this issue. That is the first cut in health spending for 14 years. Indeed, that is the first real-terms cut since the last year of the previous Conservative Government in 1996-97. The Government promised a real-terms increase in health spending; they have delivered a real-terms cut.

There are wider concerns about how the Health and Social Care Bill will impact on local health services. The extensive reorganisation of the NHS was not put forward by either party in government in their manifestos, or in the coalition agreement. Clearly, such a massive reorganisation will make it harder for the NHS to tackle the sorts of problems identified at Barking, Havering and Redbridge University Hospitals NHS Trust, and the wider issue of social care for older people by the CQC. The Prime Minister has clearly gone back on his promise on NHS reorganisation. The coalition agreement could not have been any clearer:

> "We will stop the top-down reorganisations of the NHS".

It is difficult to see how the coalition Government could have said that, when only weeks later they published a White Paper outlining the biggest reorganisation of the NHS since 1948. It is clear that such a change on this scale is the last thing that the NHS needs right now.

Returning to the more specific question about Barking, Havering and Redbridge trust and the future of King George hospital, given the CQC report and what hon. Members have said today, what consideration has the Minister given to the ability of Queen's hospital to deal with the added pressures on its services when King George hospital closes its A and E and maternity services? On the face of it, no consideration has been given to the local support for keeping A and E and maternity services at King George hospital. If services are to be transferred—the Minister says within two years—does he recognise that people need certainty and that NHS staff need proper expectations to plan and manage those changes? If those time scales are not met, what plans are in place for NHS services in that part of London?

The concerns expressed by Members today are right and need to be addressed by the Minister. Also, the wider changes to the NHS will make it much harder to identify such failures in care in future and to deal with them effectively. That is why we are so against what the Government are doing to our national health service.

10.50 am

The Minister of State, Department of Health (Mr Simon Burns): It is a pleasure to serve under your chairmanship today, Mr Brady.

I congratulate the hon. Member for Ilford South (Mike Gapes) on securing the debate because, from personal experience in a previous debate and from meetings, I know that he and other right hon. and hon. Members have a tremendous interest in, and concern about, securing the highest-quality health care for their constituents. I share their desire for excellent health services in hospitals and in the community, whether in Barking, Dagenham, Ilford or elsewhere in London and the country. That is why it is so important that the issues raised by the Care Quality Commission's investigation into Barking, Havering and Redbridge University Hospitals NHS Trust are acted on immediately and that safe services are realised and sustained.

Before I go on, I extend my sympathies to anyone who has experienced poor care at the trust. We can all be united in our concern and, in certain cases, even horror at what the CQC report showed. It is unacceptable in this day and age for services to deteriorate to that level, with such low-quality patient care. The improvement of the quality of care in that area and throughout the NHS is crucial—it is imperative and a priority. I can assure right hon. and hon. Members that the Secretary of State, my ministerial colleagues and I take such issues every bit as seriously as they do.

Although the CQC report identified some risk of poor care throughout the trust, it is the maternity service that requires immediate action and where the biggest risk of poor care was identified. The local NHS has taken immediate action at the trust to ensure that services are safe. NHS London and the Outer North East London PCT cluster have been working in collaboration with the trust to manage capacity and demand, to support its clinical leadership and to address the gaps in capability.

Margaret Hodge: Will the Minister therefore ensure that the unit at Barking hospital is open before Christmas?

Mr Burns: Since the right hon. Lady has specifically mentioned it, I will discuss that now, instead of later as I had intended. There is a plan to move the midwifery-led unit services into Barking hospital; that is a continuing, high priority for the hospital, and currently I believe that capacity is about 50%. *[Interruption]* She ought to have waited until she had heard the end of my answer. If she wants to intervene again, I point out that I have only been left seven minutes and there is a lot to deal with. However, it is not for me in Whitehall to micro-manage decisions; services and the speed at which services are provided must be a local decision by the local health economy. The only assurance that I can give—it is an assurance—is that the MLU is a priority for the hospital. I am advised that the whole service is expected to be provided at Barking hospital by April 2012, which I think is the date given to the right hon. Lady.

NHS London continues to monitor closely the actions taken in the local NHS, including twice-weekly discussions with all key stakeholders, as well as regular meetings with the PCT cluster, the trust and NHS London's performance and chief nurse's teams. Some concrete actions, which I hope reassure right hon. and hon. Members, have already been taken. To ensure safety, NHS London, PCTs and the trust decided to cap the number of deliveries to 20 a day at Queen's and seven a day at King George from the beginning of October. In collaboration with the South West Essex commissioning cluster, a number of women with Essex postcodes due to give birth at Queen's or King George will give, and have given, birth in hospitals in Essex instead. Additional, part-time professionals are being brought in—including the well-respected head of midwifery from the Royal Free hospital—to support the maternity unit until substantive leadership can be appointed.

Five supervisors of midwives from surrounding trusts have agreed to support the team at Queen's. A senior obstetrician has been recruited and will begin working with the trust shortly. Given CQC concerns about the number of vacancies and the skill mix in the maternity work force, NHS London's chief nurse has set up a midwifery leadership scheme to attract 12 experienced midwives to the trust. For an initial period of eight weeks, Caesarean sections have been transferred from the trust to Homerton university hospital in Hackney. All such actions are having an immediate impact on the ground and protect patients.

In February of this year, the trust gained a new chief executive, Ms Dongworth. The CQC and NHS London have confidence in her and have given her their full support. The CQC reported:

> "Almost without exception, staff were positive about the impact the new Chief Executive is having at the Trust. They have embraced the Chief Executive's inclusive style and believe, for the first time in many years, that there is a real opportunity for positive change."

It is my belief that such positive leadership can help the trust to move forward from the report and to continue to make the improvements that are so badly needed. A recruitment drive has already brought in an additional 72 midwives, enabling the trust to have one of the best midwife-to-birth ratios anywhere in London, and one of the highest levels of senior doctor cover. There is now regular, independent monitoring of performance every week. The trust has made it absolutely clear that continuing to improve is its top priority. All local NHS partners are committed to making that happen. The Secretary of State will also actively monitor developments.

I now pick up on a point made by my hon. Friend the Member for Ilford North (Mr Scott) which, to be fair, I think was a special plea about his urgent care centre. The urgent care centre at King George's will see the majority of patients who already attend. I must advise my hon. Friend that few blue-light cases are actually taken to that unit. He might have been hoping that I would do something to upgrade the centre to an accident and emergency unit, but I am afraid that that is not within my remit. However, under the modernisation of the NHS, nothing prevents the clinical commissioning group, when commissioning care for its patients, from looking at the situation if it is so minded. If it wants to commission enhanced care in an urgent care or A and E centre, it has the powers to do so if it wishes. I cannot prejudge what a local CCG might or might not want to commission in the future, but the opportunity is available.

Owing to the shortage of time in the debate, I have not been able to answer all the points made by the hon. Member for Ilford South, or by the right hon. Member for Barking (Margaret Hodge) and the hon. Member for Dagenham and Rainham (Jon Cruddas). I commit to writing to them with the answers to their specific points, made during this interesting and in many ways traumatic debate. I appreciate, as they do as constituency MPs, that it is totally unacceptable to have poor-quality health care for our constituents and for patients within the NHS.

Grammar Schools

11 am

Gareth Johnson (Dartford) (Con): It is a pleasure, Mr Brady, to serve under your chairmanship, the irony of which will not be lost on hon. Members who are present. I know that you take a keen interest in education matters.

I applied for this debate because grammar schools are an important and integral part of the education system in the United Kingdom. They provide social mobility and opportunity for thousands of children every year and are hugely popular with pupils and parents alike in the areas where they are found and beyond. It may help if I give a brief history of how they were established.

Grammar schools were created during the second world war and promoted by the Labour Government that was formed in 1945, but it is fair to say that subsequent Labour Governments have had a less enthusiastic approach to them. In 1965, Harold Wilson declared an end to selection in schools—a diktat that was withdrawn by Ted Heath in 1970, after which date the matter was left to local education authorities. That was again changed in 1974 by the re-elected Harold Wilson, who obliged LEAs to close grammar schools, a situation that was repealed in 1979 by Margaret Thatcher. The Government's recent announcement allows an expansion of existing schools, and I congratulate the Minister on that announcement.

Mark Field (Cities of London and Westminster) (Con): Before my hon. Friend finishes his history lesson, which is timely—I congratulate him on obtaining this important debate—surely one problem in the post-war era and one reason for the hostility on one side of politics to the grammar school system was the failure of the plan to build up technical schools and colleges as part of the 1944 Butler Act settlement. Will he congratulate the Government on their tremendous work in the past 18 months in developing technical schools, which I hope will work in tandem with a strong and thriving grammar school system well into the future?

Gareth Johnson: My hon. Friend makes a pertinent and correct point. Having a range of options available for children is undoubtedly the key to a good and successful education system. We should not try to pretend that all children are alike and that they have the same needs and desires in the education system. The Minister's recent announcement is a huge step towards the goal that I would like to reach—new grammar schools where parents and local authorities want that option.

Mr Andrew Turner (Isle of Wight) (Con): Does my hon. Friend accept that it is not only those at grammar schools who like grammar schools and secondary modern schools? Rugby, where I used to live, had both sorts and they were very welcome.

Gareth Johnson: Yes. Grammar schools have a positive effect on non-selective schools in the areas where they are found. Boroughs where there are grammar schools tend to have some of the best exam results, which is evidence of the positive impact that grammar schools may have not just on their own environment, but beyond.

I do not claim that grammar schools are for everyone. It is a case of horses for courses. Some children flourish in academic surroundings, and others do not. We must cater for all children, and grammar schools play a vital role in that diversity. A one-size-fits-all education system must never be our goal. Such a system can only help one sort of child. Children have different needs, talents and capabilities, and our education system should reflect that.

I make no secret of my support for selective education. It gave me the opportunity to specialise in academic work within the state system, an opportunity that tends to be available elsewhere only in the private school system. I do not claim to be part of a rags-to-riches tale—I never wore rags and, unfortunately, I am not rich—but I come from a modest working-class background. My father was a milkman. I went to the local state primary school, and I was fortunate to pass the 11-plus and to go to Dartford grammar school. I used that opportunity to become a solicitor and now a Member of Parliament. The social mobility that that education gave me would be difficult to find outside the grammar school system. It is wrong to suggest that only comprehensive schools provide equal opportunities for children.

Kevin Brennan (Cardiff West) (Lab): If it is hard to find social mobility outside the grammar school system, how does the hon. Gentleman account for my social mobility as a comprehensive school pupil?

Gareth Johnson: I am not saying that there are no examples of social mobility among non-selective schools, but in my experience it is common for children who go to grammar schools to benefit enormously from the social mobility that they offer.

What is unique about grammar schools is that they enable specialisation in academic work, which is not always available, not should it be, in other schools. In some areas with exclusively comprehensive schools, the catchment area around good non-selective schools experiences higher house prices than in areas around less-well-performing comprehensive schools, which leads to poorer families being unable to send their children to the best performing schools in the area.

To return to the point made by the Gentleman, social mobility may suffer in areas without selective education. Grammar schools provide an equal chance for children from poorer backgrounds. Common sense suggests that children will learn more when placed with children of similar academic ability.

Jim Shannon (Strangford) (DUP): Grammar schools clearly push academia, and push pupils to achieve above what they may think they can do. An example in my area is Regent House school in Newtownards, where one young fellow achieved six A-levels, four of which were 100% passes. That proves that if children are in the right school and are pushed hard, they do well.

Gareth Johnson: The hon. Gentleman makes an important point. I think I am right in saying that Northern Ireland has a completely selective school system. I have taken the liberty of obtaining some figures on exam success in Northern Ireland compared with England.

I do not doubt that there are caveats attached, and I will give him the figures after the debate. According to the Library, in England, just under 70% of GCSE entries were awarded a grade C or higher, compared with just under 75% in Northern Ireland; and 76% of A-level entries in England were awarded a grade C or higher compared with 84% in Northern Ireland. That is the proof of the pudding. Northern Ireland has a completely selective process and, with caveats attached, it has improved exam success as a result.

Kevin Brennan: Is the hon. Gentleman aware that Andreas Schleicher, statistician at the OECD, who is often cited by the Secretary of State as being the most important man in education, makes it clear in his pronouncements that the best and most effective education system for all pupils is non-selective?

Gareth Johnson: Education will always provoke differences of opinion. Some academics disagree with other academics, but common sense seems to dictate that it is right to have different types of schools because we have different types of children. What is inherently wrong with the comprehensive system is that it is a one-size-fits-all system. It tries to put all children, of all types and varieties, into one bag. Common sense dictates that that surely cannot be right.

Common sense also suggests that children learn more when they are placed with other children with similar abilities, and that has been shown in the streaming that takes place more and more often in non-selective schools. I cannot understand why some people believe that it is acceptable to stream within a school, but not between schools. That simply does not make any sense whatever. Grammar schools are generally good schools, and heaven knows we need to look after good schools. We need them to ensure that we educate our population and that the country's future is secure.

More than 98% of children who attend a grammar school achieve five GCSEs or more compared with 80% in comprehensive and independent schools. I concede that those figures may not cause surprise, because selective schools are, by their nature, full of children with a record of academic achievement. However, when we look at A-level success where there has already been a record of achievement at the GCSE stage, grammar schools again out-perform all other forms of schooling. In addition, boroughs with grammar schools tend to out-perform boroughs with none, so grammar schools help all the schools in the area to perform better.

In my constituency of Dartford, we have four grammar schools: Dartford grammar school, where I was a pupil; Dartford grammar school for girls, where I am a governor; Wilmington grammar school for boys; and Wilmington grammar school for girls. Each offers something different, and each provides academic specialisation, which is highly sought after in the area, particularly by children from modest backgrounds. My neighbour and hon. Friend the Member for Bexleyheath and Crayford (Mr Evennett) is a passionate supporter of grammar schools in his constituency. I know that his constituents enjoy the benefit of grammar schools in my area, and vice versa.

It is a myth that non-selective schools in selective school areas inevitably suffer. In Dartford, we have first-rate non-selective academies, one of which is the most over-subscribed school in Kent. They form as crucial a part of the educational system as the grammar schools and benefit from the existence of grammar schools.

Mark Field: We all know that the existence and indeed excellence and elitism of grammar schools have been a matter of dispute in our party. Does my hon. Friend agree—I hope the Minister will discuss this later—that if we can commit to making academies the grammar schools of the 21st century, places of great elitism and excellence, the culture war that has existed within the Conservative party can come to a close and we can look firmly to the future?

Gareth Johnson: I very much hope that that will be considered in due course by the Department. I have spoken about the benefit that grammar schools offer children from poorer backgrounds. Children who receive free school meals in grammar schools achieve almost an equal success those who do not have free school meals—95.6%, compared with an overall figure of 98%. However, pupils in non-selective schools who have free schools meals achieve far less in examinations—30.9%, compared with an overall figure of 55%. That confirms my point that pupils from the poorest backgrounds have most to gain from the grammar school system.

My hon. Friend highlights the potential for academies, and I welcome the freedom that the Government have given to schools to become academies. The new freedoms allow schools to become flexible in their approach to education. The Department for Education has wisely allowed grammar schools to continue to select on academic ability when they convert to academy status. I hope that the Department will soon consider allowing academies that did not previously select on academic ability to do so. Grammar schools are popular. They provide excellent education, offer social mobility and enable many children to reach their maximum potential. We need to allow them to flourish.

11.13 am

Mr Rob Wilson (Reading East) (Con): I congratulate my hon. Friend the Member for Dartford (Gareth Johnson) on securing this extremely important debate. His commitment to grammar schools is well known. I note that he is a distinguished alumnus of Dartford grammar school, along with Sir Mick Jagger.

Reading school, in my constituency, can boast my hon. Friends the Members for Cities of London and Westminster (Mark Field) and for North East Hertfordshire (Oliver Heald) as Old Redingensians. While not easily described as rock stars, they have equally made their mark in the world of politics.

Mark Field: My hon. Friend has missed out the black sheep of the family: the right hon. Member for Oxford East (Mr Smith) was also an alumnus of Reading school. Despite the disadvantage of a grammar school education, he still managed to go to Oxford and become a Cabinet Minister, although in a Labour Government.

Mr Rob Wilson: That is an excellent intervention. I recall that his hairstyle back in those days was very much like a rock star's.

[Mr Rob Wilson]

As a keen supporter of grammar schools, I have campaigned vigorously to protect them in my constituency, and I am delighted to contribute to the debate today. Grammars have played a significant part in the important role of social mobility. Through selection, grammars offer our most academic young people and constituents across the country excellent educational opportunities. Academic selection in secondary education is often the focus of rigorous debate, and we are getting a flavour of that this morning. Some have argued that grammar schools are an impediment to social mobility, but that view is profoundly wrong. Our 160-odd grammar schools continue to offer fantastic opportunities to gifted pupils from more disadvantaged backgrounds, thus unlocking all the potential that an academically rigorous education can provide.

Far from impeding social mobility, our grammar schools encapsulate the driving principle of aspiration and ambition. The Prime Minister has said, when staving off class-based attacks from the left about his educational background, "It matters not where you come from, but where you are going." Grammar schools reflect that ethos. They are precisely about where someone is going, not where they are from. They provide a ladder of opportunity, and I fail to see how that is an impediment, as some have described.

If we take social mobility seriously, as I do, it is fundamentally important that our grammar schools are safeguarded and that threats to their future are taken seriously, but those who wish to threaten and destroy our grammar schools do not rest. Their commitment to vandalising some of the best schools that state education provides continues undiminished, as I recently found in Reading.

Reading is on the front line of the battle to protect our grammar schools. Reading East is fortunate to have two excellent grammar schools: Reading school, which I have already mentioned, and Kendrick school, which is a girls' grammar school. Both schools feature at the top of the nation's league tables for educational attainment, a fact of which I am enormously proud. Despite their excellence, Reading's grammar schools find themselves firmly fixed in the crosshairs of those who seek to kick away the ladder of opportunity that they offer by removing their ability to select pupils. This year, a mere 10 Reading residents formed an anonymous group to put a petition together to trigger a ballot to end grammar school education in Reading.

Without wishing to suck this debate into the realm of legal complexities, the law pertaining to a ballot was confusing and flawed, because the grammars had converted to academy status, as they had been encouraged to do by the Government. A lack of synergy was exposed between annex E of the academy funding agreements and the provisions of the School Standards and Framework Act 1998, the legislation that sets out the regulations pertaining to grammar school ballots. The confusion focused on the 20% petition threshold of local people eligible to vote in the ballot—namely, parents at feeder primary schools.

It is also worth noting that the ballot itself, should it have gone ahead, was undemocratic, because it comprised only parents from primary feeder schools and not the parents of pupils currently in grammar schools. Why should parents of children attending a grammar school be disfranchised in decisions about the school's future, as parents and their children will be affected by the outcome of any ballot?

Is it right that 10 faceless people can cause huge instability at local schools that have served the people of Reading so well for so long? Recently, when those faceless individuals started that ballot process, it caused huge problems. How does a school cope with a threat to its future? The uncertainty it causes for staff, parents and pupils is significant. Enormous effort and expense have to go into administering the ballot and putting the case for the school, taking time away from the important teaching effort that has to go on. It was both wrong and unfair, and it should never have been allowed to happen.

In short, the episode in Reading exposed a gaping democratic deficit whereby a tiny, unrepresentative part of Reading's community managed to unsettle two schools along with their staff, pupils and parents. Because of the disruption and potential expense to our grammar schools, I hope that the Minister will look at the initial trigger point for initiating such a ballot, which should surely be well above 10 anonymous people. Working closely with Reading school's head teacher, Mr John Weeds, we lobbied Ministers in the Department for Education. As a result, we have an undertaking from the Minister that amendments will be made to the funding agreement, which I hope will achieve greater clarity.

For now, the threat to Reading's grammar schools has been temporarily beaten back, but it could return at any time. If they wish, the same 10 people in Reading could return with their protest year after year, and the Government must change the rules so that, if a ballot attempt fails one year, it cannot be constantly repeated. Such a strategy could become a device for destabilising grammar schools all over the country, and I would have grave concerns for the remaining grammar schools in England should it be repeated elsewhere. In defending the few grammar schools that we have left, it seems that the price of their retention will be constant vigilance, unless the Government make significant and necessary changes to the legislation. I am therefore encouraged to see that so many determined hon. Members are participating in this important debate.

To remove grammar schools would be to remove a specialist part of our state education system that seeks to maximise a pupil's academic potential. Critics of grammar schools—usually, although not exclusively, from the left—say that those who do not pass the selection criteria for a grammar school education will in some way be left behind by the system. That argument, however, is flawed. Not every pupil is academic in orientation, but that does not mean that their potential should be left unfulfilled. Too often, our state education system has let down technically gifted as well as academically gifted pupils, and we need schools that reflect the abilities of all pupils.

That is why I am delighted that university technical colleges are growing in number and strength, and last week I joined Lord Baker of Dorking in celebrating and promoting the success of such colleges at a parliamentary reception with rest of the UTC community—a community which now looks more like a movement. By departing from a one-size-fits-all approach to education, both types of school serve the interests of social mobility.

It is about being holistic, serving pupils in the system and reflecting their needs accordingly. Our grammar schools do precisely that, and they deserve our unwavering support.

11.23 am

Laura Sandys (South Thanet) (Con): I thank my hon. Friend the Member for Dartford (Gareth Johnson) for securing the debate. He has said many things that I agree with, particularly on the Kent grammar school system.

When I arrived in Kent as a parliamentary candidate, I had no great understanding of the grammar school system, although I did have an open mind. I wanted to find out what parents felt about the issue, and when knocking on doors I came across families in which one child went to a grammar school and the other to the high school. Sometimes the child at the high school went on to sixth form at the grammar school. I found that Kent had an integrated system and that it was impossible to knock on a door and say, "That is a grammar school house," or, "That is a high school house." Perhaps that has something to do with the number of grammar schools in Kent. In my constituency, as in that of my hon. Friend, there are four grammar schools. Therefore, 30% of young people in my constituency go to a grammar school, and it also allows children who have finished their high school education to attend sixth-form college at a grammar school. People can access that excellence at any time.

One thing that struck me very starkly was social mobility. We look for excellence in education, and no one disputes that grammar schools provide that. There is always, however, a big question about whether grammar schools attract only children from middle-class families. One school in my constituency, Chatham House, surveyed its pupils' parents and found that only 20% had been through higher education. Therefore, 80% of children at that school will be the first generation to go into further education or university. For me, that provided a stark understanding of the issue, and it sounded a clarion call that we are talking about a route into higher education for a first generation of children.

In one of the richer areas of east Kent—an interesting thing to say, because the area has high deprivation—Sir Roger Manwood's grammar school in Sandwich has an average number of children on free school meals. Again, that reasserts the message coming across from teachers.

Kevin Brennan: I am sure that the statistics that the hon. Lady has quoted are correct, but is she aware that overall, the ratio of state to grammar schools is 25:1? There are 158 pupils on free school meals in non-grammar schools for every one in a grammar school. The ratio is 158:1, rather than 25:1, which is what it should be. Is the grammar school mentioned by the hon. Lady highly unusual?

Laura Sandys: It is not unusual for me or for parents who send their children to grammar schools in my area, but different counties have different systems. Kent has a high number of grammar schools that are attended by between 25% and 30% of children. That offers a huge opportunity for young people from diverse backgrounds to access the grammar school system. Other counties have few grammar schools. That is a pity, because the schools attract only a small number of children, which may not include a representative percentage of the population as a whole. In many ways, that supports my advocacy of the need for more grammar schools to create a proper mixed environment and educational system that is appropriate for different children with different abilities at different ages.

As my hon. Friends and I have said, grammar schools do not work in isolation, and when seeking excellence in our grammar schools, it is crucial that we also seek it in our high schools and other schools in the area. We cannot promote grammar schools without promoting a mixed educational environment.

Kent is lucky to have very good high schools, and I ask the Department to look at how they are judged during Ofsted reports. It is important that the system in which those schools operate is understood by Ofsted and that the 30% of children in my area who enter the grammar school system is understood in the context of what those high schools have achieved in that mixed and selective system.

I wish to be clear on three points. First, we must not undermine excellence. I was concerned to hear about the campaign in Reading, because if we end up with a situation in which grammar schools, which are excellent schools, are threatened or put under pressure by parents, we will do our education system a big disservice. Secondly, I would like the Department to be clear about the opportunities and social mobility offered by grammar schools, when there are enough of them in an area to enable them to increase their intake. Thirdly, I will always be dedicated to my high schools, and I am clear that they need to achieve a huge amount. The Government must understand the selective nature of the system in which they operate.

We are looking to increase opportunities for schools to expand, extend their interests and attract parental choice, and that will be the same for grammar schools, high schools and technical colleges. At the same time, we must maintain and sustain the excellence that currently exists in our grammar school system.

11.29 am

Mr Robert Syms (Poole) (Con): Like other hon. Members, I know how dear this subject is to you, Mr Brady. No doubt you are having occasion to bite your tongue, to be an impartial Chair.

I start with the usual caveat that I enter in such debates. The vast majority of children go to comprehensive schools, and if we are to remain a first-class economy, we must raise education standards for all children in the United Kingdom, in whatever sector they are being educated. However, that does not mean that we should not value and cherish the 160-odd grammar schools. Looking around the Chamber, I see a smattering of the geography of Britain where parents banded together in the bad old days and managed to maintain their grammar schools, as we have done in the Poole and Bournemouth area. These schools have suffered hostility and sometimes indifference. I am glad that at last we have a Government who appreciate the value that these 160 schools bring to the UK and the chances that they give to the children who go to them.

[Mr Robert Syms]

One of the saddest things over the past 20 or 30 years because of the changes is that a bigger divide has developed in the UK, in that those from a middle-class background who can afford to pay for education have more opportunities, whereas some of those from more disadvantaged backgrounds have found that, with the demise of grammar schools in many areas, their opportunities have not expanded as much as they might have done 10, 20, 30 or 40 years ago. It is still amazing to me to see the people whom this country has produced who make a major contribution to business, to universities and to the media who came from a grammar school background.

We must cherish and support the grammar schools that we have. They provide a beacon for the academy programme. I understand why the Government have focused more on academies than on grammar schools. Clearly, everyone is in favour of grammar schools, but not everyone is in favour of the 11-plus. Rather than arguing about that, it was probably right and proper to get on with the academy programme, which seems to be building up a head of steam. The existence of grammar schools will allow many academies to look at the way in which they teach their pupils. I am thinking of the streaming, the uniforms and the whole ethos of those schools. If the expansion of the academy programme sees many academies adopt those things, that may be a quicker way of ensuring that the widest possible number of pupils get a better chance in life.

We come into politics to make a difference, or at least we hope to make a difference. Of course, it is terribly difficult for any of us to measure what difference we make. However, the changes that the Government are making to school admissions, particularly as they relate to grammar schools, really are a major difference, because the presumption against expansion is to go, which means that good schools will be able to expand. I have no doubt that one of the most important announcements made by the Government is the one that will allow grammar schools to expand, because they are popular and more people will wish to go to them, providing that they meet the standards. That is the first staging post on the way to cherishing and perhaps expanding this sector in the future as a major beacon for educational standards.

I do not intend to say much more, but the number of colleagues present for the debate says something about how strongly they feel. The Minister and I are old friends, and I am pleased with and proud of what he is doing in the Department to improve standards and opportunities not only for those from prosperous backgrounds, but for those from poorer backgrounds.

11.33 am

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): Like other hon. Members, I am the product of a grammar school—Hyde County grammar school, which was destroyed in the grammar school wars. On the other side of things, I went into teaching in 1973, in the heyday of comprehensivisation, with a genuine desire for comprehensives to succeed, because there was, in a sense, no golden age. I think that it was my hon. Friend the Member for Cities of London and Westminster (Mark Field) who remarked on the failure of the tripartite system, because there was not a tripartite system in most of the country. To be fair, in the 1950s and '60s, although the grammar schools were successful, both parties were worried about the failure across Britain in terms of skills and attainment of those who did not have the chance to go to grammar schools.

As I have said, I entered teaching at the time of comprehensivisation. The phrase used at the time was that it would be a grammar school education for everybody. My first comprehensive school was in Tottenham—Northumberland Park school, just behind the Spurs ground. In a sense, that was my education in how political education is.

I congratulate my hon. Friend the Member for Dartford (Gareth Johnson) on securing this debate. It is a pity that there are no Labour Members present other than the shadow Minister, the hon. Member for Cardiff West (Kevin Brennan), but I hope that we will hear from him that this will be the end of the grammar school wars.

Kevin Brennan: Would the hon. Gentleman also like to hear from the Liberals on this issue?

Eric Ollerenshaw: Well, there you go. What I am trying to say is that I hope—my hon. Friend the Minister has already indicated this—we will see the end of the grammar school wars. I think that all parties have learned from the mistakes that we made and the destruction of good schools that took place in the genuine attempt to create all-purpose comprehensives for everybody.

Let us consider what happened in the '70s and '80s. I shall give a personal example. I remember as a teacher in Tottenham at the time trying to bring in an A-level course—France under Louis XIV—and being challenged by other teachers who said, "Do you think they're good enough for this, Eric?" The penny then began to drop that somehow there was a dumbing down in the system. No teacher in that comprehensive sent their child to it. Most moved to the higher reaches of Hornsey to get near the comprehensive there. There was a classification of comprehensives, but only the middle-class, trained professionals knew the distinctions.

My family background is that I was the first one who passed the 11-plus and all that stuff, but my parents and grandparents did not understand the system. I just went to a school where I managed to pass the 11-plus and ended up in a grammar school. Hon. Members can imagine that loads of parents in Tottenham did not understand that there were distinctions between the schools. We must remember that that was the day and age when schools did not publish their results. There were huge battles to get schools to publish results, so people had to be really in the know, to know which comprehensive produced better results than the other comprehensives.

Then there were all the other things that we tried. I started off teaching mixed ability. Then we tried setting and then, as has been said, streaming. Then we had social priority schools and social priority staff, which meant that we got extra money. I managed to keep that extra money until 2000, when I finished, but that was another problem with the bureaucratic system. In addition to all those different attempts to do things, there were new subjects, including integrated humanities, cross-curricular studies and sociology—I think I happen to be the only Conservative in education who ever taught sociology to A-level. We made all those attempts to do something with the system, having destroyed the previous system, even though, as hon. Members have said, every school and every area are totally different. If results can be measured, people can understand those results, and if the schools are achieving, let them get on with it.

One of the bravest things that we did in opposition was finally to stop the wars and say that we support the academies programme. I hope that that will be reciprocated and that we can pull out of the political wars about education. I now find myself the Member for Lancaster and Fleetwood, where there are two grammar schools. One is Lancaster royal grammar school, which claims a history going back to the 13th century. It is a boarding state grammar school. I thank the Minister, who had a meeting with some of us who represent state boarding schools. I hope that that is another area in which we might see an increase now that we are in the era of free schools—let them get on with it. My area also has Lancaster girls' grammar school, which dates back to 1907. Those schools are very successful. They are outstanding schools that provide outstanding opportunities for children. Alongside them, my area has Church of England schools, such as Ripley St Thomas school, which has been rated outstanding by Ofsted. Central Lancaster high school, a comprehensive school, is just about to get its first sixth form. That school provides a very good education for those who do not want a grammar school education or a religious school. In a sense, everything is there. There are no problems in my area—touch wood—with choice in education, simply because there is huge variety, which is the key. As I have said, we must pull the politics out, let schools get on with it and allow them to prove by their results what they can do.

I welcome the announcement that grammar schools will be allowed to expand, but I ask the Minister to go further. On selection criteria, the school admissions code specifically mentions selective schools and

"designated grammar schools that rank children according to their performance in a test and allocate places to those who score highest".

It then has some rules about siblings who can or cannot go to such schools. If we are to go the whole hog on free schools—if we are letting 100 flowers bloom and all that—let us start pulling out the regulation and discrimination that have been built up against grammar schools, which hon. Members say provide a successful education for children in their patch.

Beyond that, grammar schools that have gone for academy status are raising the issue of the possible impact of funding still being under the control of local education authorities and school forums, where there is a predominance of non-academies. There is still work to be done on that. As my hon. Friend the Member for Reading East (Mr Wilson) has said, there is also discrimination because people can call for a ballot over which school they get. Let us put an end to all that.

The debate is about grammar schools. As my hon. Friend the Member for Poole (Mr Syms) has said, they make up a minority of schools, but they are still very successful. Let us put an end to these arguments about which kind of schools we have, which should be up to the local area and to parents. We should enable people to have the education that they want for their children. The Government's responsibility should simply be to measure success and to build on it, and grammar schools have been one part of that success.

11.41 am

Esther McVey (Wirral West) (Con): I congratulate my hon. Friend the Member for Dartford (Gareth Johnson) on raising this issue. All of us are saying that grammar schools provide excellent education for all children from all backgrounds. As my hon. Friend the Member for South Thanet (Laura Sandys) explained most powerfully, we would not necessarily know what schools people's children go to when we are knocking on doors while out canvassing.

For me, the debate is about acknowledging grammar schools and the excellent work they do. It is also about acknowledging the part that they play in the educational system. There are a number of different kinds of schools, and grammar schools are just one, but we cannot run away from the fact that they do an excellent job. They need to be supported, and I am delighted that the Government are backing them, which will enable them to flourish.

Grammar schools produce consistent, successful results and well-rounded citizens and adults. I say that as a previous governor of Calday Grange grammar, which is 365 years old this year. I was most impressed by the way in which the parents there came together to support not only the school, but the pupils in it. I was also impressed by the community engagement there. If parents want grammar schools and support them—this one has been going for 365 years, and there are many more like it, not just in Wirral West, but right across Wirral—we must keep hold of them. Parents know what is right for their kids and they want these schools to keep going.

The successful results of grammar schools in Wirral West speak for themselves, so let me give just a couple of examples. On the average point score per student, Calday Grange grammar gets 34.5% above the average in the country, Upton Hall school for girls gets 37% above the average and West Kirby grammar gets nearly 40% above the average. On the five A to C grades at GCSE, Calday Grange grammar is 44.5% higher than the average, Upton Hall is 35.5% higher and West Kirby grammar school is 43.5% higher. That is outstanding, and it is part of the grammar school system. Why try to mend something that is not broken? Why take away something that is unbelievably successful?

Wirral grammar school for girls had a 100% pass rate for A-level students, with 43% of its pupils getting A* and A grades and 73% getting between A* and B grades. The school is unbelievably successful. It is ranked in the top 100 state schools in the country in *The Sunday Times* list.

My area desperately needs great schools—I can say that because I am from Merseyside. In fact, every area could say the same. That really is key when we look at the future generation we are creating and at social mobility. Grammar schools have to be the engines for social mobility in communities.

Grammar schools are academic schools, and our top universities look to them. More than 1,000 grammar school pupils went to Oxford and Cambridge after taking A-levels in 2008. In areas such as mine, grammar schools provide an outlet for academic potential.

We all watch BBC and ITV and select excellence in dancing, singing or some other kind of performance—nobody has a problem with that. We all vote on these things and say that someone can win because they are

[Esther McVey]

the best. Why do we have a problem with looking at academic excellence and selecting people in that way, when the whole country is quite happy to send in a text to vote in these shows?

Jim Shannon: Why do people vote for Russell Grant in "Strictly Come Dancing" if this is about excellence? I cannot understand that.

Esther McVey: To be fair, I think that man has got move and groove and slinky hips, and I will be voting for him. As an ex-dancer, I was taken by his dancing abilities.

I welcome what the Government are doing. I welcome free schools and academies, because I believe in choice. The grammar schools in Wirral West are moving to become academies and following the academy route. As they progress towards becoming academies, I hope they will remain true to their beliefs, aims, aspirations and founding principles. I hope they will remain the same when they become academies. I hope that our support for them will allow them to flourish, that we do not change a winning formula and that we ensure that these excellent schools remain in our community.

What the coalition Government are doing is a refreshing change. They are offering choice, pushing for discipline, looking to support and encourage all sorts of schools and looking for achievement in every area. Yes, there must be academic achievement, but there must be achievement and fulfilment for every child. What some might do in academia, others might do through practical skills, while others might provide for their community in a very different way. I support all those kids, because they all have a talent; we just have to find out what theirs is and nurture them.

11.47 am

Mark Pawsey (Rugby) (Con): I am grateful for the opportunity to speak in this important debate. Like everyone who has spoken before me, I am a strong supporter of grammar schools. Like my hon. Friend the Member for Dartford (Gareth Johnson), whom I congratulate on securing the debate, I am a product of the grammar school in the constituency that I represent.

Rugby retains grammar schools, but we have the best of both worlds because we also have non-selective schools. We have a non-selective school in Ashlawn that has a grammar stream, and we have two high-class, selective, single-sex grammar schools—Lawrence Sheriff school for boys and Rugby high school for girls. I should declare an interest, in that my daughter is a pupil at the girls' school.

As I say, Rugby has grammar schools, and I am a product of Lawrence Sheriff. My hon. Friend the Member for Isle of Wight (Mr Turner) was there a few years before me, and I came to this place with my hon. Friend the Member for Warrington South (David Mowat), who also went to the school. The school therefore has a proud tradition of producing Members of Parliament.

At the school, I was in a class with the sons of cement factory workers and scrap metal merchants, each of whom was the first member of their family to go to university. I therefore have a good understanding of the role of grammar schools in providing social mobility.

We retain grammar schools in Rugby because of the hard work and diligence of an earlier generation of politicians, who fought to retain our selective schools in the face of the comprehensivisation of Britain. The fact that we have grammar schools is a major asset for the community that I represent. Our schools are in high demand. Parents move into our area to provide their children with the opportunity to attend a grammar school, and they also apply from substantial distances—20 or 30 miles away—to secure that kind of education for their children. We know the schools are popular, and it is because of the high standards and excellence that a grammar school provides. My hon. Friend the Member for Dartford gave a full account of the academic qualifications secured at most grammar schools.

I am pleased that the Government recognise the strengths and qualities that grammar schools can bring the country, and that they have brought forward a policy that will enable them to expand. In Rugby, we have been looking forward to the expansion of our grammar schools in the past few years, because of our party's policy to permit them to grow where there is population growth. Rugby has a very positive approach to new housing development. We have a site that is expected to take 6,200 new homes in the next 20 years, and we are expecting the grammar school provision to increase in proportion. It is great news that we may be able to go further.

I am anxious to ensure that our grammar schools should be available for the broadest possible number of children in our community. I have one or two anxieties about the selection process that will take place in an era of academies. Until now, the selection arrangements for our existing grammar schools have been run by the local authority, and I have two concerns about the process to which the authority has moved in recent years.

The first concern is about the need for parents to opt in. That came home clearly to me much as it did to my hon. Friend the Member for South Thanet (Laura Sandys). I was on a doorstep talking to parents who had a bright and gifted young child, who had been denied the opportunity of a grammar school place because they had not filled in the necessary form in time for the child to take the exam. I was horrified that there was a system in which parents must opt in rather than opting out. I should like the Minister to comment on an opt-out system. I recognise that there will be parents who decide that a selective education is not right for their children, or who do not want to put their children under the burden of taking a selection exam. However, if we are to make our grammar schools the engines of social mobility that they should be, we should make certain that a child's ability to sit the selection exam is not determined by their parents' ability to get a form filled in on time, and sent back to the school and local authority.

Laura Sandys: Another issue in my constituency is that fewer girls than boys apply to grammar school. There is no reason for that, other than parents' not necessarily looking at their girls, and their potential to go to grammar school, in the same way. My hon. Friend's system would be extremely interesting, in many ways, in relation to opening that up and perhaps increasing the number of girls who apply.

Mark Pawsey: My hon. Friend's intervention is profound. The essence of my support for grammar schools and, I am sure, of the support of other hon. Members present, is that they should be available to all children. We want them to be vehicles of social mobility. We want children from less privileged backgrounds to go to them; so my heart went out to the parents I met whose daughter had been denied the opportunity of a grammar school education.

Mr Rob Wilson: Why are not primary schools encouraging parents to put their children in for the examinations, and opting in on behalf of the children? Does my hon. Friend agree that primary schools do not do enough to get their children into grammar schools?

Mark Pawsey: Absolutely. I share my hon. Friend's view. One of the difficulties is that in certain primary schools there is an expectation that children will sit the selection exam, whereas in other schools, perhaps in less well-off areas, the expectation may not be present; but it should be. Those schools should put all their children forward, to give them the opportunity to participate in a selective education.

I have a second point about the selection process on which I would like the Minister to comment. I have mentioned my daughter, who is currently at grammar school. My other daughter, who is older, sat the exam 10 or 12 years earlier, when the entrants sat several practice papers in school and then took the actual paper in school—an environment that they were all entirely comfortable with. I am sure that that enabled each child sitting the paper to do their best. By the time my younger daughter took the exam, it had been moved to a separate examination centre. At the age of 11, with the entire cohort of other children of that age, she was taken to a foreign environment—a school they were not familiar with. They sat in rows in the same way we would have sat our GCSE and A-level exams. For many children, the move from the comfortable environment to somewhere completely different was distressing. They are youngsters of 11 years old. Sure, the selection exam should determine which children are the most capable, and who will benefit—

Kevin Brennan: I am very interested in the experience that the hon. Gentleman describes, but is he entirely comfortable with categorising children in that way at the age of 11?

[JIM SHERIDAN *in the Chair*]

Mark Pawsey: Absolutely comfortable. I know as a parent that it is possible to identify at the age of 11 the children who will benefit from the more rigorous academic education that would come through a grammar school. However, I do not want children to be assessed in an environment in which they are not entirely comfortable at such a tender, early age. I urge the Minister to do his utmost to ensure that the process of selection is put on a more even footing and that the system is better able to identify those with the ability and skills to benefit from a grammar school education, rather than those who perform particularly well in an exam on a given day in an unknown environment.

I am very supportive of what the Government are doing in increasing the role of grammar school education, and I look forward to many children benefiting from the changes that we will make in the years to come.

11.57 am

Kevin Brennan (Cardiff West) (Lab): Welcome to our proceedings, Mr Sheridan. We have had a very interesting debate, although I feel somewhat as though I am intruding on a private argument.

Mr Andrew Turner: What argument?

Kevin Brennan: I think that there is an argument, because I agree with the Minister that more grammar schools should not open, and I sense an undercurrent among the hon. Members who have spoken that they would like more to open. Perhaps if I am wrong about that, one of them will intervene and tell me so, but no one is standing up to speak, so we can take it that they do not agree with the Minister and that they have an argument with his policy—

Esther McVey: Will the hon. Gentleman give way?

Kevin Brennan: In a minute. I will finish and let the hon. Lady intervene in a second, if she will contain her slinky hips, as she said in her speech earlier. I apologise—I should not have said that: I was simply quoting what she said about "Strictly Come Dancing".

The Minister's policy is not to open more grammar schools, and I understood from the speeches of other hon. Members that they want to open more, so perhaps the hon. Lady will clarify matters.

Esther McVey: I think that if the hon. Gentleman was listening to what I was saying, he would know that I gave full acknowledgment to the grammar schools that we have and the fact that parents want to keep them. My speech was not about increasing them, or making alterations; I was saying that they are an important part of the education system, for which they must be acknowledged.

Kevin Brennan: I accept that one hon. Member in the debate agrees with the Minister's—and the Government's—policy that more grammar schools should not be opened. The hon. Lady has made it clear that she agrees with that. I am looking around the Chamber to see whether other hon. Members want to tell us they agree with the Minister, but I do not see any.

Stephen McPartland (Stevenage) (Con) *rose—*

Kevin Brennan: Ah! I am very grateful to the hon. Gentleman for intervening on me.

Stephen McPartland: I did not speak in the debate, but I understood my hon. Friends to be saying that they were very proud of the grammar schools in their areas and that they wanted them to have the opportunity to expand. I believe that it is Government policy that all good schools should have the opportunity to expand.

Kevin Brennan: I am grateful to the hon. Gentleman for that clarification. I shall take it then that all Government Members present do not wish to see more grammar schools opened across the country, which is

[Kevin Brennan]

the Government's policy, although they support the Minister's move to allow existing grammar schools to expand their numbers.

Mr Andrew Turner: I would say that it would be a good idea to have grammar schools in areas in which they do not currently exist, but I would need to consult my electors before I decided which way to vote.

Kevin Brennan: I take from that that the hon. Gentleman has some doubts about his own Government's policy in not allowing more grammar schools to be built; that is the logical conclusion of his statement.

We now know that there is a mixed bag of views among Government Members about the matter. I agree with the Minister that we should not build more grammar schools, because selection at age 11, in my view, does not work and is wrong. I will expand on that in a moment.

Mr Syms: As the hon. Gentleman is speaking for the Opposition, if he believes that selection at age 11 is wrong, is he in favour of abolishing the 160 grammar schools?

Kevin Brennan: Our policy on the matter is unchanged. It should be up to local parents, via the ballot mechanism described earlier, to decide whether they want to keep the grammar schools that are in their area. Our policy is unchanged from what it has been for many years.

I congratulate the hon. Member for Dartford (Gareth Johnson) on securing the debate. When he opened the debate, he talked about a one-size-fits-all education. He told us his story of social mobility, which he attributed to his attendance at grammar school. He seemed to indicate that that kind of social mobility would not be possible without grammar schools, but I have to tell him that that is not correct.

I think that I come from a background similar to the hon. Gentleman's. My parents both left school at 14. My father worked in the steelworks and my mother was a dinner lady. I attended a comprehensive school and ended up here via various other institutions along the way, including teaching in a comprehensive school, which the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw) also did. Social mobility is not dependent on attendance at a grammar school. There is conflicting evidence regarding the impact of grammar schools on social mobility, when looked at in the round, and the evidence that the hon. Member for Dartford cited was circumstantial rather than conclusive.

Gareth Johnson: No one here has suggested that it is impossible to have social mobility in non-selective schools. What we are saying is that there is a high degree of social mobility in grammar schools, which we are all proud of.

I hope that the hon. Gentleman will clarify something for me. He says that he is against selection at 11, yet his party has a policy of continuing selection at 11 for the 164 remaining grammar schools. Does he want a policy with which he disagrees to remain?

Kevin Brennan: We have made our position clear. Although I am not in favour of selection, it is up to the parents in existing areas, via the ballot mechanism described by the hon. Gentleman, to decide whether they want to keep grammar schools. That has been our policy for many years, and the decision has always been taken in that way at a local level, previously by local authorities.

The hon. Gentleman said that no one is suggesting that social mobility is possible only through the grammar school route. Perhaps that is not what he wanted to suggest, but he made a remark—and I intervened on him, as the record in *Hansard* will show—that might have implied that that was what he believed. However, I accept the explanation that that is not the case. I will come on to the evidence that says that non-selective systems are more effective than selective ones.

The hon. Member for Reading East (Mr Wilson) objected to the mechanism available to parents, should they seek to trigger a ballot, to change a selective system in their local area to a non-selective one. There was only one part of his argument that I did not understand. If the presence of grammar schools benefits all children and parents in an area, as many of his hon. Friends say is the case, why is he concerned about parents of children in the feeder schools to grammar schools having a vote on keeping a selective system? After all, according to him and his hon. Friends, all those parents would benefit massively from the gravitational pull of a selective school in their area.

Mr Rob Wilson: My concern is not about parents of children in feeder schools voting—they should be able to do so—but about parents of children in grammar schools not being able to vote and about the fact that ballots may be triggered by 10 anonymous people collecting a petition.

Kevin Brennan: Leaving aside the trigger, which the hon. Gentleman raised with the Minister—I am sure that the Minister will respond to it—the logic of his argument suggests that he would want parents from all secondary schools in an area to be able to vote in a ballot, because they, too, would all benefit hugely, as described by his hon. Friends, from the presence of grammar schools that their children do not attend. By his own logic, all parents in an area should have a say in whether the local system should be selective or non-selective. However, the current system allows parents of children in feeder schools to vote in that way. If he is afraid that they will vote differently, clearly he is saying that they might not feel that their children are benefiting from having a selective school in their area. That was not the point that his hon. Friends were making.

The hon. Member for South Thanet (Laura Sandys) mentioned the high schools in her area and spoke with passion and persuasiveness about the school system there. It was interesting to hear that non-grammar schools in the area are now referred to as high schools. Why do we never hear the term "secondary modern" any more? Why are non-grammar schools referred to as high schools, comprehensive schools, sometimes community schools or a variety of other appellations? It is for the reason pointed out by the hon. Member for Lancaster and Fleetwood—the tripartite system that existed across the country condemned the vast majority of children to second-class schools. That is the truth and the reality of what the system was like.

Eric Ollerenshaw *indicated assent.*

Kevin Brennan: The hon. Gentleman is nodding, because he taught in that system and knows what secondary modern schools were like, as a whole, across the country. They provided a second-class and extremely poor education to the children who failed their 11-plus and were unable to attend other schools.

Mr Andrew Turner: I have no experience of grammar schools or secondary modern schools on the Isle of Wight, because that has not happened to the schools there. Both grammar and secondary modern schools are doing well in places such as Thanet, the rest of Kent and Rugby, where grammar schools remain. They are good schools; it does not matter what one calls them.

Kevin Brennan: I am not disputing the fact that there are many good schools within a selective system that are not grammar schools. I completely accept the point made by hon. Members about good schools in their local areas; they will know far better than I the quality of education offered in those schools. I am simply pointing out that when the system was scaled up right across the country in the 1950s and 1960s, the reason why the comprehensive movement came along was because of the failure of that system to cater for the needs of the vast majority of children.

The hon. Member for Lancaster and Fleetwood brought to the debate the benefit of his experience as a teacher in a London comprehensive school, and he made some valid points about the kind of social selection that can also take place in a comprehensive school. I taught in a comprehensive school for 10 years, and in my experience in schools, what counts is not whether a school is selective, but the quality of its leadership, the teachers in the school and the relationship created with parents and the effective enforcement of good standards of behaviour in the classroom. Those are the sorts of issues that count in giving a good education to a child. That is perfectly possible—I witnessed it in many comprehensive schools. With the right leadership and the right quality of teaching, we can offer an educational experience for all children in a comprehensive school, including those who are academically gifted.

Eric Ollerenshaw: I agree with the hon. Gentleman on that, but I just wonder why his party still pursues the line of antagonising the remaining grammar schools and why it would prefer to see even them abolished at some point. On his party's strictures, if the schools are good with good teachers and good results, should they not be allowed to continue?

Kevin Brennan: I am not in the least antagonistic towards any school. As I have made clear, our policy is that the parents of children in the feeder schools to such schools should have the decision as to whether a system is selective or not. Let us be clear. When discussing grammar schools, it is not just a case of one school, but a selective system in an area. That is the consequence of having selection. It is quite right that parents should have a choice on that.

The hon. Member for Wirral West (Esther McVey) made the point that academic excellence is extremely important, and she referenced the very good schools in her area. I simply reiterate that academic excellence can be catered for in good, non-selective schools, whether they are academies, community schools or whatever.

On the point of social mobility and the make-up of existing grammar schools across the country, in a parliamentary answer to my hon. Friend the Member for Sefton Central (Bill Esterson) in April this year, which can be found in the Library debate pack for this debate that I am sure hon. Members have seen, the Minister set out the number of year 7 pupils attending state-funded secondary schools overall, the number of those pupils attending grammar schools and then the numbers of pupils from a black ethnicity, those who receive free school meals and those who have a statement of special educational needs. It must be said that the Minister's statistics show that grammar schools are purely academically selective; they are clearly socially selective as well.

Laura Sandys: As I outlined in my contribution, different areas have different settlements when it comes to grammar schools and high schools, and that is important to understand. In an area with many grammar schools, there is a much greater cross-section of the population. When there are only three or four in a county, they are often in rural areas and people must drive to them. There is therefore a difference in the systems. We often put an umbrella around all grammar-school systems as if they were one, rather than look at the nuances that have developed in different areas with different outcomes.

Kevin Brennan: In her speech, the hon. Lady made the point that the grammar school in her area with a free school-meal intake was at exactly the average for the area, but that is an exception. It has to be an exception, and the statistics show that. In 2010, for example, 96,680 year 7 pupils attending state-funded secondary schools received free school meals out of a total number of 549,725. Out of 22,070 grammar school pupils, 610 received free school meals. The table goes on to give a percentage, and I must say that, using my comprehensive school maths, I think that the figures are wrong in the Minister's answer. I am sure that it was not his answer, but perhaps a mistake in translation when it went into the debate pack. The percentage calculations that I have done to check seem wrong, but what is clear from the figures when they are recalculated in a different way is that the ratio of state-school pupils to grammar-school pupils is about 25:1 and yet the ratio for free school meals is 158:1. There is clearly a huge amount of social selection going on, but I give those figures with the health warning that they may have been mistranslated along the way. Perhaps the Minister will clarify that—if not now, at a later date.

I will not go on much longer except to say that, as I stated earlier, Andreas Schleicher, the OECD statistician who compiles the figures for the programme for international student assessment, pointed out at a meeting that I attended that the best school systems in the world are non-selective. That is a clear conclusion of the OECD's research.

12.15 pm

The Minister of State, Department for Education (Mr Nick Gibb): I begin by congratulating my hon. Friend the Member for Dartford (Gareth Johnson) on securing this important debate, which has been interesting and well argued. As ex-grammar school pupils, we share a familiarity with the high standards and positive experience that grammar schools engender. I also know that he continues to serve as a governor at Dartford grammar school for girls to ensure that those standards and values continue. As the Sutton Trust recently reported, more than eight in 10 of girls at that school are accepted at university. At 83%, it is around the same percentage as Maidstone grammar school, which I attended for one year, where 87% are accepted. That record is testament to the work of the school, its staff and the girls themselves. More than nine in 10 pupils go to university from Dartford grammar school—the boys' school.

This debate comes at a time of almost unprecedented reform in our education system, and I am grateful to my hon. Friend for paying tribute to the work of the Department since May 2010. For too long, standards were allowed to slip in far too many schools. I know that Sir Michael Wilshaw, Her Majesty's new chief inspector at Ofsted, will bring a resolute determination to reverse that trend and to return the focus of all schools towards excellence rather than excuses.

Grammar schools ensure that thousands of state-educated pupils move on to higher education and to the most competitive universities. Around 1,050 grammar school pupils were studying at Oxford and Cambridge in 2009. Some 98% of pupils in grammar schools achieved five or more GCSEs at grades A* to C, including English and maths, compared with 57.8% of pupils nationally. In 2009-10, some 95% of grammar schools pupils who were eligible for free school meals achieved five or more GCSEs at grades A* to C, compared with about 31% nationally. The gap between the overall figure of 98% and the free school meals figure of some 95% of those in grammar schools achieving those good GCSE grades, which is about three percentage points, is absolutely critical. That contrasts sharply with the national figure.

In 2009, 55% overall achieved five or more GCSEs at grades A* to C, including English and maths, but for pupils who were eligible for free school meals the overall figure was just 31%. That gap of 24 percentage points has stubbornly remained over recent years. That is a disparity in outcome that we want to close or, at the very least, bring closer to the narrower gap that grammar schools have achieved for the simple reason that reducing the attainment gap between pupils from rich and poor backgrounds is one of the key objectives of the coalition Government. The question is how we can achieve that objective. How do we spread to the whole state school sector the grammar school ethos of high standards and ambition and of placing no limit on achievement?

No limit on achievement certainly seems to be the approach taken by Dartford grammar school. It is one of three such schools where, in 2010, more than 95% of pupils achieved the English baccalaureate's combination of GCSEs. A further nine grammar schools scored above 90%, and 67.9% of grammar pupils achieved the E-bac nationally, compared with the overall national figure of 15.2%.

My hon. Friend the Member for Reading East (Mr Wilson) was right to pay tribute to Reading school, where 78% of the pupils achieved the E-bac, and to Kendrick school, where 72.8% achieved the E-bac.

Kevin Brennan: At Chislehurst and Sidcup grammar school, only 15% of pupils achieved the E-bac. Does the Minister regard that as a failure?

Mr Gibb: The hon. Gentleman makes a good point. There are a variety of standards in the list of grammar schools, and I believe that we will see a rise in that figure that he just quoted in the years ahead, just as we will see a rise in the proportion of pupils taking the E-bac right across the state sector, as schools focus on achieving results in the E-bac.

My hon. Friend the Member for Reading East raised the issue of the grammar school ballot provisions, both in statute and in annex E to the funding agreement. We have discussed these issues on a number of occasions and the head teachers of the two schools that he mentioned—Reading school and Kendrick school—have made very clear representations. Throughout the country, there have been just 10 petitions since 1998 and only one went to a ballot. That proposal to abolish a grammar school, in Ripon, was defeated by a margin of two to one, but we are looking very seriously at the technical issues that my hon. Friend raised both today and in recent weeks.

My hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw) paid tribute to Lancaster girls' grammar school, where 87.3% of the pupils achieved the E-bac combination of GCSEs, and to Lancaster royal grammar school, where 81.9% of pupils achieved the E-bac combination of GCSEs. Those are excellent schools, and my hon. Friend is right that we should not be engaged in wars about such excellence.

My hon. Friend the Member for Wirral West (Esther McVey) was right to extol the virtues of Calday Grange grammar school, where 87.3% of pupils achieved the E-bac, and the two Wirral grammar schools, where 77.3% of pupils achieved the E-bac combination of GCSEs.

My hon. Friend the Member for Rugby (Mark Pawsey) was right to pay tribute to Lawrence Sheriff school and Rugby high school. I listened very carefully to the important points that he made about the selection process, and local authorities should be advising parents about the options that are available to their children, particularly those who are from more disadvantaged backgrounds. I have also taken on board my hon. Friend's important point about the environment in which the tests are taken.

My hon. Friend the Member for South Thanet (Laura Sandys) raised the issue of the ethos and popularity of grammar schools. It is that formula that the Government are now seeking to replicate in every school in the country and for every pupil, irrespective of family background. In this country, we have many exceptional schools and teachers who work extremely hard towards achieving those goals—in fact, we have some of the very best schools and teachers in the world—but we also know that many state schools are struggling to work in what is at times an almost unworkable system of bureaucracy and central control. As a result, we have fallen back in the programme for international student assessment rankings, from fourth to 16th in science, from seventh to 25th in literacy and from eighth to 28th in maths. Our 15-year-olds are two years behind their peers in Shanghai in maths and a full year behind teenagers in Korea and Finland in reading.

Kevin Brennan: When the Minister cites those figures, will he cite the change in the number of countries participating in the PISA survey, will he say over what period he is quoting and will he also give the Trends in International Mathematics and Science Study statistics for the same period?

Mr Gibb: Even if we take into account the increasing number of countries taking part in the PISA surveys, which took place in periodic years from 2000 onwards, the surveys still show this country declining. Also, the TIMSS survey is different, because it examines the curriculum of the countries in which children are tested, whereas the PISA survey looks at a common set of questions right across the different countries. The PISA survey is the one that we should be concerned about.

Kevin Brennan: It is only fair to put on record that, as the Minister knows, Andreas Schleicher, who compiles the PISA statistics, does not agree that there has been any absolute decline in performance in this country.

Mr Gibb: However, Andreas Schleicher also says that there has been no increase in performance in this country, whereas other countries around the world are increasing performance. That is the problem facing our young people if we do not improve standards in our state schools, because those young people are now competing for jobs in a global market. It is no longer good enough just to look at the past, because we now have to compare our system with the best systems in the world.

Our education system has become one of the most stratified and unfair in the developed world. Since coming into office, we have been setting out our vision for reform on four broad themes: improving the quality of teaching and the respect for our work force in schools; greater autonomy for schools to plan and decide how and when improvements should take place; more intelligent and localised accountability; and reducing and simplifying the bureaucracy that frustrates and demoralises teachers. Those themes formed the basis of the White Paper that we published a year ago this month, "The Importance of Teaching", and I believe that grammar schools can actively support improvement in each of those four areas.

First, we want to get the best graduates into teaching by funding the doubling of the Teach First programme during the course of this Parliament, and by expanding the Future Leaders and Teaching Leaders programmes, which provide superb professional development for the future leaders of some of our toughest and most challenging schools. We want grammar schools actively to share their experience of staff development with other schools, in both the initial training of staff and the provision of professional development. We have had more than 1,000 expressions of interest in establishing teaching schools and 300 applications have already been received, with grammar schools among the keenest to sponsor or support local schools to improve standards in their communities.

Secondly, our drive for greater autonomy has seen 111 of the 164 grammar schools that made those applications become academies, and many of them support other local schools. The vast majority of grammar schools participate in some form of partnership with other maintained schools or academies, be that an exchange of staff, working with students or supporting school leadership. Between them, the newly converted academies have agreed to support more than 700 other schools and to support fellow head teachers through the doubling of the national and local leaders of education programmes.

Thirdly, it is vital to ensure that improvement is driven not by the Government but by schools themselves, through effective accountability that focuses on raising standards. We are overhauling the inspections framework to focus on schools' "core four" responsibilities—teaching, leadership, pupil attainment and pupil behaviour. The E-bac sets a high benchmark against which parents can hold schools to account, and it helps to narrow the gap between those from the poorest backgrounds and those from the wealthiest backgrounds.

The Russell group of universities has been unequivocal about the core GCSEs and A-levels that best equip students for the most competitive courses and the most competitive universities—English, maths, sciences, geography, history and modern or traditional languages. However, nine out of 10 pupils in state schools who are eligible for free school meals are not even entered for those E-bac subjects, and just 4% of those pupils achieve the E-bac. In 719 mainstream state schools, no pupils who are eligible for free school meals were entered for any single-award science GCSE; in 169 mainstream state schools, none of them were entered for French; in 137 mainstream state schools, none of them were entered for geography; and in 70 mainstream state schools, none of them were entered for history. Academic subjects should not be the preserve of the few, but we need to free schools to achieve that aim.

Fourthly, therefore, we are dramatically reducing the bureaucracy that constricts achievement. In opposition, we counted the number of pages of guidance sent to schools in one 12-month period. They came to an incredible 6,000 pages—or six volumes of "War and Peace", if people are inclined to consider it that way—yet they contained little of substance that schools do not already know or share.

The most recent example of our efforts is the recently completed consultation on the school admissions and appeal codes. There were some 130 pages of densely worded text, with more than 650 mandatory requirements that were often repeated. The revised versions, which we published last Wednesday, total just over 60 pages and are minimal in their requirements, while preserving the important safeguards as well as introducing new requirements, such as priority in admissions for children adopted from care. As my hon. Friend the Member for Poole (Mr Syms) said in his contribution, it is one of the most far-reaching changes that we can make if we give all schools, including grammar schools, a greater say over their own published admission number.

Currently, that intake number is tightly managed by the local authority to ensure that any increases do not affect the school down the road. That kind of rationing of places only limits choice for parents and pushes

[Mr Gibb]

cohort after cohort of children to less accomplished schools, rather than giving good schools the freedom to expand and share their excellence.

Our approach is simply to let schools decide how many students they can offer a high quality of education within their own capital budget, while ensuring that they maintain standards or improve any underperformance. Why is that important? Quite simply, it is important because we want the number of places in all good schools to increase, to increase genuine choice for parents. Even marginal increases in some areas will lead to a positive cycle of increased standards. Critics who argue that that will create sink schools overlook the current admissions codes—

Jim Sheridan (in the Chair): Order. We must now move on to the next debate. Before doing so, I ask colleagues who are leaving Westminster Hall to do so quickly and quietly.

Primary Care (Devon and the South-West)

12.30 pm

Mr Ben Bradshaw (Exeter) (Lab): This debate is about a proposal by most, but not all, of the NHS primary care trusts in the south-west, including my own in Devon, to contract out some of the important administrative work done to support GP practices and other family health services to a business partnership with the private French company Steria, called Shared Business Services, or SBS. The work includes running the system of payments to GPs, pharmacists, ophthalmologists and others, patient registration and screening, organising the timely transfer of patients' records, and basic but vital things such as ensuring that GPs do not run out of prescription forms.

I was first alerted to the proposal when constituents of mine who work for the Devon primary care support services at Newcourt House on the edge of Exeter contacted me. I subsequently visited and spoke to some of the 27 staff who between them have more than 500 years' experience of working in the field. As a result of those conversations and subsequent research, I now have grave concerns about the proposal and the process that has led to it.

As far as I am aware, there have not been any complaints about the quality or efficiency of the current service. On the contrary, the in-house service in the south-west in general and in Devon in particular is considered to be one of the best in the country for quality and efficiency. The Department of Health has for the past two years been undertaking a major research and benchmarking exercise to improve and standardise the quality of primary care commissioning, including that of support services. Of the 19 NHS organisations reviewed, Devon was shown to be one of the best for quality, and the best for efficiency. Its costs for transferring medical records, for example, are less than half the national average.

That Department of Health study is supposed to help develop a national standard or specification for primary care commissioning, so why is the Department pushing PCTs in the south-west to contract out the services when we have not yet seen the results of this important work? The Department's programme director for primary care commissioning, who is in charge of the work on a national specification, has said that she "cannot envisage" the arrangements that are likely to emerge from her work "being in line with" what is being proposed in Devon and across the south-west. Surely, therefore, it makes sense to wait until the work of the Department's national commissioning board project team is complete and published before pressing ahead with the contract.

The Secretary of State for Health states in his letter to me of 25 October that decisions are entirely a matter for individual local trusts, but from the conversations that I have had and the documentation that I have seen, it is clear that his Department and the strategic health authority have put considerable pressure on PCTs to sign up to the SBS bid. I have seen a letter from the Department's commercial director to a PCT chief executive, which basically implies that they have no choice. As a former Health Minister, I know that it is possible for different bits of the Department not always to work in a joined-up way, but it seems extraordinary that the commercial division is pushing a policy that would seem to, if not go completely against, at least pre-empt what the primary care commissioning officials are doing.

In spite of the pressure from the centre, some PCTs in the south-west have decided not to go with the SBS bid and to keep the work in-house. Somerset has done that, Bristol, South Gloucestershire and North Somerset have recently announced a delay to any decision until they have done a full due diligence assessment, and I understand that Gloucester put up some initial resistance.

The original bid from SBS was to cover the whole of the south-west, but with significant parts of the region either now not signing up to the contract or having second thoughts, I would be grateful for the Minister's thoughts about how that will affect the viability of the bid. It must also surely strengthen the arguments for waiting for the outcome of the national specification work, given that the study might recommend a very different solution only for PCTs to discover that they are already bound into a contract with SBS that they cannot change.

What particularly concerns the staff in Exeter and me is the future quality of the service. I have seen figures—I can let the Minister have them if he has not been given sight of them by his officials—that show that the quality of primary care support services that are already run by SBS are worse than those in the south-west and that they have deteriorated since SBS took them over. For example, in the south-west 91% of patient records are transferred within the maximum target time of six weeks, and the east midlands used to boast a similarly good figure but performance has fallen to 76% since SBS took over at the end of 2010. North London was the first and is the only other area where SBS runs the primary care support services, and performance there is just 35%.

The SBS model involves moving some of the work currently done in Devon and the rest of the south-west to India. I have nothing, in principle, against work being done in India. When I book my train tickets to and from Exeter every week, I speak to extremely helpful people in India, but for these particular NHS services, the local knowledge that the staff have built up over many years and the relationships that they have with local GPs and others are vital for resolving problems and ensuring that a system runs safely and efficiently. For example, during last winter's bad snow, staff from Exeter used Land Rovers to ensure that GP surgeries did not run out of vital supplies.

Our existing service operates a hub and spoke model for the ordering of prescriptions by practices. Suppliers deliver orders to the hub—the primary care support services—which then delivers to the individual practices. Devon primary care support services have two very busy staff members to administer the process from their side, but the NHS SBS bid would have just two administrators across the whole south-west.

The chairman of the Devon local medical committee, which represents GPs in my area, has described the current service as "exemplary" and has told me that GPs and their practices have "severe anxieties" about the proposed change. Just last night, a Devon GP contacted me when she heard I had secured this debate and said:

> "I have over the past two years had several causes to ask the Devon primary care support service for brief advice. They clearly have a wealth of knowledge born from years of dealing with these queries and I have found the advice to be much more up to date and helpful than the service that I received from their equivalents in the previous PCT where I worked prior to coming to Devon. The support that we receive is invaluable. It allows us to do our jobs rather than spending hours on the telephone and e-mail. The plans to derail this system are unhelpful and counter-productive for the wasted time that will be spent finding information elsewhere."

I thought that the whole thrust of this Government's policy was about giving GPs the power and money to commission services as they wished, but here the Government are doing exactly the opposite and ignoring the wishes of local professionals in the process.

Doubts have also been raised about SBS's reported record in reducing costs. A 2008 report by the Office for Public Management details examples of huge oversights in plans for cost reduction. One member of staff has said that his

> "team are as big as they were when SBS was introduced"

because SBS had to re-recruit a full team after its previous job cuts had left the organisation unable to function effectively. The report concluded that

> "few if any cost savings were made as a result of the agreement and it is deemed 'unlikely' by interviewees and commentators that they ever will".

Staff in Devon have told me that the draft contract with SBS does not include a lot of their current work. The work will have to be done by someone, so on whom will the costs fall? The staff feel particularly aggrieved that the strategic health authority's finance director recently visited India to inspect SBS's work but has not talked to the people who currently provide an excellent service on his own doorstep. I understand that he has also told primary care trust chiefs that SBS represents

> "the way forward for the NHS".

Again, that hardly sounds like encouragement for local decision making.

It has been suggested to me in the past 24 hours that European competition rules might not have been adequately addressed when dealing with the bid. I would be grateful if the Minister went away, examined that point and reassured me in writing, if not in his reply, that both the policy and the process are legally watertight.

We face a fragmented part-privatisation of an important part of the NHS across the south-west, before the Minister's departmental officials have reported their findings on best practice and a national specification for primary care commissioning. Questions have been raised about the company bidding for the work, in terms of its record on quality and its potential to deliver savings. The Government claim that the decisions are entirely for local PCTs, yet pressure has clearly been applied by some in his Department and the strategic health authority, contrary to everything that the Government claim to support in terms of local commissioning and decision making. There is also a strong feeling that the decision is being rushed through. For example, it appears that staff in Devon are being subjected to a curtailed consultation period, before due diligence work is complete. Surely, consultation with staff should begin after local managers have satisfied themselves that any bid stacks up.

It feels as though loyal and hard-working NHS staff in Devon are being presented with a fait accompli that is being pushed on them for ideological reasons by a Government who are not joined-up. Primary care support services are what keep the wheels of the NHS moving

[Mr Ben Bradshaw]

smoothly. The quality of local service is at stake, and I urge the Minister, in consultation with senior staff at the regional and local levels, to put the decision on hold, at the very least until the questions and concerns that staff have raised with me and that I have highlighted in this short debate have been addressed satisfactorily.

12.41 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate the right hon. Member for Exeter (Mr Bradshaw) on securing this debate. As a former Health Minister, he has stood up in the Chamber to respond to hon. Members who have raised concerns on behalf of constituents, as he has done thoroughly and thoughtfully today. I appreciate the way in which he presented his case. When he was a Health Minister, I found him to be a constructive and courteous colleague on the occasions on which I dealt with him.

I pay tribute to the hard work done by national health service staff every day of the week, whether in back offices or on the front line in wards. They change lives. It is all too easy to dwell on the things that go wrong and not to pay enough attention to the excellent work that they do. I certainly want to pay attention to that today. This Government are committed to doing all that we can to support front-line staff and ensure that we continue to deliver excellent services to the right hon. Gentleman's constituents.

I will first address the central issue—the role of NHS shared business services and how it has come to be such an important player in shared services—by referring to the chronology. NHS SBS was established in 2005 after an open competition in accordance with European procurement regulations. I will certainly consider the right hon. Gentleman's point about procurement law and will write to him if any further issues need to be dealt with. I will confirm the state of play.

The service was established to help to meet efficiency targets set out in the previous Government's efficiency review, led by Sir Peter Gershon, in 2004. In creating NHS SBS, the last Government brought together two shared financial service centres situated in Leeds and Bristol and introduced private sector capacity and expertise to assist expansion and increase the range of services offered, to deliver the potential efficiencies of such an approach. I appreciate the right hon. Gentleman's question about his concerns on behalf of staff. As a constituency MP, I too would want to ensure that such concerns were properly aired and that the decision makers involved understood those concerns and properly reflected on and respected them. However, I am sure that the right hon. Gentleman, as a former Health Minister, will understand that the responsibility for determining how local services are delivered rests with local NHS organisations. I will set out why. Local NHS organisations are in the best position to understand what local people need, how to design shared services to meet the support needs of NHS provider organisations and so on, and how to ensure that the offer available is appropriate and affordable. It would be inappropriate for a Minister to try to micro-manage the details of individual contracts.

In line with that policy, the Government absolutely do not mandate NHS organisations' use of SBS. That remains a decision for local organisations on the basis of their assessment of the quality and value for money that they will receive by letting contracts to SBS. Nevertheless, the Department supports the use of SBS. I will explain how that tension is resolved. As a former Minister, the right hon. Gentleman will have grappled with it himself.

Public sector use of shared services and private sector expertise is in line with the policies of this Government and the last Government, but it absolutely must offer best value for money and meet the required quality standards. Equally, when the previous Government set up SBS, they took a 50% stake, meaning that from day one, the Department has had a duty to promote the venture and create value for the taxpayer. In turn, the Department's share of SBS profits is returned to the NHS. It is therefore not uncommon for the Department, in undertaking its duty, to correspond with NHS organisations considering the use of NHS SBS in support of using shared services, particularly SBS. Such letters have been consistently provided throughout the existence of SBS, and I have copies of correspondence dating back to October 2008 that relates to the transfer of family health services of the sort that we are debating.

Mr Bradshaw: Does the Minister accept, however, that the original joint venture established by the Labour Government was for finance and accounting, not family health services? The only area in which we allowed SBS to take over the running of family health services was north London, because that service was failing dismally. It does not seem to have improved much since SBS took over, either.

Paul Burstow: My understanding—I will go back and check, and if it is not correct, I will write to the right hon. Gentleman—is that that extension of SBS's role was a policy decision by the previous Government, and that the Nicholson challenge set in 2009 of making better use of support services by sharing across organisations was identified as an opportunity to realise savings that could then be reinvested in front-line services. I hope that that is a shared goal, even though its execution is open to proper scrutiny and debate.

I reassure the right hon. Gentleman again that, although the Department writes letters of the sort that he has referred to, they are nothing new in the context of promoting that business venture and the return of profits to the NHS. I stress that those decisions are local.

Back in 2007, the National Audit Office considered the potential of NHS SBS and estimated that it could deliver £250 million in savings over 11 years. To date, more than £70 million has been saved, freeing up funds for front-line patient care. As I mentioned, the review of shared services undertaken as part of Sir David Nicholson's productivity challenge identified how a minimum of £600 million could be saved across England and redirected to support front-line services. The report cites SBS as an example of successful shared service ventures, delivering typical savings of between 20% and 30%.

In the specific case of Devon PCT's family health services, as the right hon. Gentleman said, SBS provides numerous administrative functions relating to primary care, including patient registration, patient records management and contractor payments. Those functions help the NHS to run more smoothly, and the testimonies that he read out bear witness to the fact that they are valued services.

The PCT, along with nearby health care commissioners, has been exploring how to save money on administration and management functions without affecting front-line services. To spell out the current situation in relation to the agreement between the south-west and SBS, SBS provided an outline proposal in March this year, followed up with a final proposal in June. At the south-west regional project board, 10 trusts agreed to sign an intention to proceed in September. The intention to proceed is made between the trusts and SBS—there is no contractual relationship in that sense between the Department and SBS—as an agreement to invest the time and effort in undertaking the final element of due diligence, which was one of the right hon. Gentleman's concerns, and consultation. It is not, therefore, a commitment to enter into a contract.

Due diligence is a process that runs alongside the contracting process. The due diligence process began formally alongside the final proposals in June and will gather pace following the intention to proceed. As part of this process, efforts are undertaken by both sides to understand the precise details of the proposed arrangements. As part of that process, the final and precise quality, which is an important consideration, and service standards are determined. If, as part of the process, the trusts are not satisfied that the offer from SBS can meet the quality and value standards that they require, they are not committed to entering into an agreement with SBS.

Mr Bradshaw: That is helpful, because my understanding of the situation is that the staff in Devon have been told to expect to be TUPE'd across on 1 December. The consultation for staff is taking place in parallel with the due diligence process, but surely that should wait until the trust itself is satisfied with the quality of the bid, following the due diligence process.

Paul Burstow: It is not uncommon for such processes to run in parallel, which, as the right hon. Gentleman has identified, is what is happening in this case. This is not, however, a conveyor belt that cannot be reversed. The point that I am making is that the due diligence process is not about doing things by rote; it is about making sure that both the taxpayer's interest and the quality standards of the service are properly protected. It is a legitimate area for local scrutiny and debate, and for challenge by him and other Members who have a concern in the matter.

The TUPE consultation started on 2 November. Extensive discussions will be held with staff and managers. Following the consultation, the organisations will be required to consider the feedback from staff. Again, it is not a rote process, but one that requires decision makers to have proper regard for what they learn from the process. The right hon. Gentleman has mentioned India. I should make it clear that NHS SBS has no call centres for family health services in India. It is envisaged that, under this contracting arrangement, if it goes through, some staff will work in India, but they will not be part of a call centre service.

Only when each of the processes that I have described is complete, and the individual local organisations have concluded that the service offering is in the best interest of the local area, will the decision be taken to proceed. Should the proposals be advanced, it is expected that five centres of excellence will be established in the south-west, based in St Austell in Cornwall, Exeter in Devon, Ferndown in Dorset, Brockworth in Gloucestershire and Devizes in Wiltshire. That decision will be a local one made by NHS organisations on the basis of all the facts provided as part of the process that I have set out. The matter is to be decided locally, and those concerned must assure themselves—hence the due diligence process—that the contracts afford the necessary flexibility and quality standards. Indeed, on quality change and the formation of an NHS commissioning board, the contracts are framed in a way that allows such flexibility. I am assured that that should not present an insuperable obstacle to delivering the wider goals.

Mr Bradshaw: I appreciate that, but would it not make all the more sense to hold off signing the contracts until we know what the national picture will be when the commissioning board publishes its findings? I should be grateful if the Minister returned to the Department and found out why the official in charge of this work does not seem to think that the model being pursued in the south-west involving SBS would be compatible with what is likely to emerge from the recommendation of the national commissioning board.

Paul Burstow: I will write to the right hon. Gentleman to amplify why I think that the policy concern is not as great as has been presented, and why the emergence of the NHS commissioning board, with its role in family health services and the commissioning of primary care, provides a model whereby the exploitation of the opportunities for shared services will be even greater than it is now.

In conclusion, local NHS organisations have responsibility for getting value for money and meeting the highest levels of quality. That is true about everything they do, including proposals such as the one under discussion. The coalition Government support the move to shared services, if that decision is made locally and for the right reasons.

This is equally one of the key proposals that will help trusts to meet the quality and productivity challenge that the NHS has faced since 2009. I understand that the proposal for the south-west region aims to deliver operational savings of 32%, with a 23% net saving after the cost of change. By commissioning the service in a different way, it is estimated that the NHS can save in excess of £6 million over four years in the south-west, including £1.6 million in Devon.

I hope that the right hon. Gentleman will agree that it is only right for local organisations to look at areas where they can deliver efficiencies and quality and can release money for investment in front-line services. I hope that this debate has gone some way to addressing the right hon. Gentleman's questions. I will undertake to enter into the correspondence that he has requested. If he has any further questions, I am sure that the Department will want to respond as quickly as it possibly can. I thank him for initiating this debate.

Schools (Bradford)

12.55 pm

Mr David Ward (Bradford East) (LD): Thank you for chairing this debate, Mr Sheridan, and I thank the Minister of State, Department for Education, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb), for attending. I would like to begin with a quote:

> "Funding totalling £337 million has been secured after an outline business case by Bradford Council was approved by Partnership for Schools (PfS), the organisation which administers the Building Schools for the Future programme (BSF) on behalf of the Government."

It continues:

> "Kath Tunstall, Bradford Council's strategic director for services to children and young people, said: 'We are delighted that the final stage of the improvement programme has been given the go ahead.
>
> We will now be able to provide the most up-to-date environment and facilities for all our secondary schools.
>
> Bradford children will be taught in the surroundings and with the technology that their efforts deserve. This is marvellous news.'"

It did, indeed, seem to be marvellous news.

That was the lead story in the *Bradford Telegraph and Argus* on 7 April 2010, just one month before the general election. What a cruel deceit. It was cynical and mean. At the time, I was a governor of one of the 19 schools in phase 3 of the Bradford BFS programme, and I was pretty sure that it was all too good to be true—I think that many of us felt the same—and so it proved to be. It was an example of the sheer dishonesty of a Government who knew that they were going to lose the forthcoming election, promising the earth in the full knowledge that the new Government, of whatever political complexion, would never be able to deliver the BSF programme. It was shameful.

Unfortunately, the problems that the BSF programme was designed to remedy are still with us today. The reception year population in Bradford is increasing rapidly—in fact, we have one of the fastest-growing young populations in the whole country—which is having a severe impact on school places in our primary schools. Although, nationally, numbers in maintained nursery and state-funded primary schools started to increase in 2010, they have been increasing in Bradford since 2006.

A significant number of our primary schools are now full, particularly in the lower age groups in key stage 1, which will start to impact soon on key stage 2. To overcome the additional demand for places in primary schools, 28 schools—nearly 20% of our primary schools—have increased their published admission numbers. Do not forget that, year on year, we have already asked our schools to increase their numbers, but here we have 28 trying to respond, all in one go, to the increased demand. To accommodate the additional children, the schools have been included in a building expansion programme funded through basic need allocations. Bulge classes had previously been established, but a more permanent solution was required to help schools with their organisation, management of staff and classes, and to enable them to plan ahead. For all schools, an extensive programme of building works to provide additional accommodation incrementally over a seven-year period is required as the larger cohorts progress through the year groups.

The lack of information on capital allocations beyond 2011-12 means that the building programme has to be broken down into phases. Funding is only secured for phase 1, which will provide additional accommodation to cater for the children up to and including 2012-13. It should be pointed out, however, that a number of schools also have a backlog of maintenance issues. In phase 1, the council cannot address many of those issues due to the limitations of available capital. The figure for the backlog on repairs for primary and secondary is approximately £55 million.

Phase 2, for growing other year group capacity and beyond, will depend on available funding. Future forecasts also identify the need for further additional capacity over and above the current expansion programme. Additional problems have been caused by a reduction in pupil admission numbers at Catholic primary schools proposed by the diocese and governing bodies of voluntary aided schools. The reduction in places in certain schools and the desperate need for additional places is a double whammy. This is not simply an inner-city issue, as it is often portrayed. We are now experiencing difficulties in most areas across the Bradford district.

Although plans to provide additional capacity are in place, potential proposals and approvals of free schools in the district—of which the local authority has no knowledge at any one time—give rise to what can be described as tensions in the planning process, particularly where clear expansion programmes have begun to be delivered and there is a need to continue them through the older year groups.

Mr Gerry Sutcliffe (Bradford South) (Lab): Is it not true that Bradford has taken a very pragmatic approach to free schools? The local authority and all three parties on the council have decided to support the principle. There might be arguments about each other's schools, but free schools will be members of the family of the wider school population. However, there are issues that affect that wider school population.

Mr Ward: I have read some comments to that effect. They are not actually accepted in principle by the Liberal Democrat group, but I recognise the hon. Gentleman's contribution. My point about free schools is about the difficulties they create for a strategic view of school admission numbers across the district.

We are also experiencing significant pressure in the secondary sector, particularly lower age groups. Numbers in secondary schools in Bradford started to increase in 2008 and are forecast to continue rising. As I understand it, that is against the national trend. Recent statistics on pupil projections identify state-funded secondary schools showing a decline since 2004, and they are expected to decline even further until 2016. That is not the case in Bradford.

Previously, there were plans to increase capacity at a number of secondary schools—I mentioned 19 in phase 3—through the BSF programme. However, the cessation of the BSF programme means that that route is not available. Alternative plans are being developed. The current approach, where possible—we have done this with our schools over a number of years with some success, and we have to pay tribute to the head teachers and governing bodies of schools for accommodating it—has been to request schools to admit year 7 pupil numbers above their pupil admission numbers. However, that is not a sustainable solution. It can only be done where there are gaps later up in the school years, and it soon exceeds capacity.

With the basic need allocation for the district fully committed to the expansion of primary schools at this stage, no funding has been secured to implement any plans for secondary expansions. It is estimated that, in addition to any expansions of existing schools, two further 1,000-place schools will be required in the next three to four years. Those two new secondary schools are required in Bradford in addition to the capacity potentially being introduced through known proposed free schools in the district—they are over and above. There is a tension between current place planning and proposed expansion programmes with the unknown quantity of free school places. We now have five free schools in Bradford and we do not know what will become available in the future. That creates the potential—perversely and inadvertently—to develop overprovision in certain areas.

As previously stated, we have information on capital allocations up to 2011-12 only. In the past, we had three-year allocations. The most recent announcement for capital allocations for 2011-12 was for one year only. Failure to be able to plan over a three-year period has led to considerable problems, such as the inefficient use of resources. Capital schemes have been broken down into smaller phases, which are proving more costly than larger schemes. On the ability to complete schemes on time, due to the late announcement of funding—I believe that there were big headlines in the *Telegraph and Argus* last week—it has proved difficult to contract and mobilise building contractors to complete programmes in time for the beginning of the new academic year. Hundreds of school days were lost recently as a result of schools opening late. On long-term planning, schools are finding it extremely challenging to plan ahead in terms of space, resources and staffing.

The only capital resource provided by the Department for Education for additional accommodation is basic need funding. That is based on the need for additional teaching space and is insufficient to deal with existing inadequacies of accommodation, or the provision of other important spaces required for the successful operation of a school—play space, dining space, space for whole-school gatherings, community space and so on. The indications from the James review are that space requirements are likely to be reduced, which is also a serious concern.

The methodology used by the Department to determine the allocation of basic need funding to authorities is based on the local 2011 school capacity and forecasting information return, which only focuses on a five-year forecast. Basic need pressure across the secondary school estate will only realistically become apparent by the end of that forecast period and will require addressing in the time frame of this funding announcement.

Bradford's very welcome £7.4million allocation towards its basic needs will, I am afraid, be insufficient to cover the pressure on pupil places across both the primary and secondary school estate. In addition—I have referred to this—there are significant backlog maintenance requirements to bring existing accommodation up to suitable standards across Bradford's existing school estate. Basic need funding is not provided to address this issue.

Although a new programme, the priority school building programme, was announced in July to deal with the most serious cases, only a limited number of schools in Bradford qualified to bid for that funding, given the criteria that were set. Importantly, none of the primary schools being expanded qualified, while some of the smaller primaries, as well as a smaller secondary school, Queensbury, did meet those criteria but declined to take part because of fears about the affordability of the private finance initiative deal on offer. Should the six secondary submissions to the PSBP programme—Aire Valley, Belle Vue boys' school, Carlton Bolling, Oakbank and the two new schools—be rejected by the Department for Education, pressure on pupil places throughout the secondary estate will not be dealt with and the authority might well face difficulties in fulfilling its statutory duty.

As an aside, I can comment on one of the schools that I have mentioned, Carlton Bolling, where I am a former chair of governors. Although the backlog maintenance is only 30.71% of the total costs of a new build, the school currently has sections that are structurally unsound. In fact, some areas of the school are roped off and unusable because they are unsafe. Also bear in mind that the other schools were part of the reorganisation programme, which was when they most recently had investment, but at Carlton Bolling the previous reinvestment occurred as the result of a fire. The fire damage, however, was not to the classroom area but to the sports and dining room areas, so the heavy investment during that time was in the non-classroom parts of the school. The classroom area has not therefore received substantial investment and includes the part that I referred to as structurally unsound.

The purpose of the debate is to explain the need for support for Bradford schools, which are in dire need of capital investment, and to emphasise the scale of the issue. It is incredibly difficult to plan strategically for school places in Bradford, not simply because of the considerations that I have presented but because of the enormous difficulty faced by the council in meeting its statutory responsibility to provide the right number of school places in exactly the right areas, given the short-term capital allocations and a highly turbulent and mobile school population.

Recently, in questions to the Secretary of State, I pointed out that 60% of the children in a year 3 classroom that I had visited were not together in reception. Go to many areas, even in Bradford, and 90% of those who come into reception go on to the same secondary school. Our turbulent and mobile school population makes the dynamics of forecasting for future places very difficult. In addition, we have free schools supported in their desire to set up when and where they choose, the freedom of popular schools to expand their pupil admission numbers without having to consult their local education authority and school fears about the private finance initiative. I will welcome the Minister's comments on such crucial issues.

1.14 pm

The Minister of State, Department for Education (Mr Nick Gibb): I congratulate my hon. Friend the Member for Bradford East (Mr Ward) on securing the debate. Clarity on how the Government are funding and ensuring fairness and choice for parents and their children throughout the country is important. The debate

[Mr Nick Gibb]

is particularly timely, as the academies and free schools programmes gather pace and as we announce our additional basic need allocations for those areas deemed to be most in need, which include Bradford.

Bradford is playing an active part in the academies programme, with seven schools already open as academies and another 10 in the pipeline. Bradford has 27 outstanding schools, which offers an excellent basis on which to continue to drive up standards and school-to-school collaboration. Currently, two free schools in Bradford are open, both of which directly support local needs. The Rainbow free school aims to improve education quality for children in central Bradford and to reach out to children in challenging circumstances. The positive local reaction to the Kings science academy was reflected in a high volume of applications for places in its first year.

My hon. Friend mentioned five free schools altogether, and a further three are due to open in September next year, helping to provide new school places where they are most needed. However, I accept his point that the need goes beyond the supply provided by the new schools. What has been achieved is educational transformation, delivering professional autonomy and recognising the expertise of teachers and the best leadership in the country. That is what we hope to achieve through the academies and the free schools programmes. None the less, real challenges face Bradford, with its increasing school population and the capital expenditure needed to repair and maintain its schools.

My hon. Friend was right to point out the political dishonesty of announcing a major piece of school funding one month before there had to be a general election and when everyone knew that there simply was not the sum of money needed to provide such a scale of school building in any part of the country, let alone in one particular area. The Chief Secretary wrote on leaving office that "there is no money". It was political dishonesty of the worst kind to make those promises in Bradford and elsewhere, writing blank cheques when there was no money to support them.

We are committed to providing practical support to enable Bradford to manage its pressures. On school places, the Secretary of State's 3 November announcement on capital allocation included a further £500 million for basic need, in addition to the £800 million announced for the same financial year to reduce pressure on school places. As my hon. Friend said, that led to £7.4 million for Bradford, in addition to the basic need allocation of £10.3 million in 2011-12, announced last year. That is on top of the £45.9 million of capital grant for Bradford in 2011-12, which covers capital needs including maintenance.

On school buildings, the priority schools building programme, which was announced in July 2011, targets those schools that are in the worst condition or have severe basic needs. Four Bradford schools have applied, one of which is Carlton Bolling; as my hon. Friend pointed out, parts of that school are structurally unsound and cordoned off from use by pupils and staff. Each application will be assessed fairly on its merits and against the criteria. Once all applications have been assessed, the successful schools will be announced, which should happen by the end of the year.

On disadvantaged pupils, in 2011-12 the Government are providing a pupil premium of £9.1 million for more than 18,000 pupils in schools throughout Bradford. I was taken by the point made by my hon. Friend in oral questions concerning the churn of pupils in his schools—60% of the year 3 pupils had not been at that particular primary school in reception. However, we must still provide a high quality of education for those children. The pupil premium of £488 per pupil this year will increase over the next four years. We are doubling the total expenditure on the pupil premium next year, from £600 million to £1.2 billion, and it will rise to £2.4 billion by 2014-15. I agree with my hon. Friend that at all stages the processes of how decisions are made and how money will be spent to deliver real impact must be clear.

My hon. Friend raised his concern that local authority budgets will be top-sliced to pay for the academies and free schools programme. In the context of the pressures highlighted in the debate, I understand that concern, but I hope I can reassure him that no school, parent or child should be disadvantaged financially by academies and free schools. Far from disadvantaging other schools and breaking up the system, they will improve parental choice and ensure that all schools aim to raise their standards.

LAC SEG—the snappy acronym for the local authority central spend equivalent grant—enables schools converting to academy status to pay for those services that they previously received free from the local authority. To avoid the taxpayer paying twice for those services, the element paid to academies needs to be recouped from local authorities. How that recoupment is calculated and top-sliced from local authority grants is subject to consultation, and the Government will respond to that consultation and make an announcement in due course. The key is to ensure that local authority-maintained schools and academies are funded fairly.

The academies and free schools programme aims to meet demand for school places and to increase choice for parents and children. Our commitment is to ensure that parents and their children have a choice of school places, whether in maintained schools, academies or free schools. On performance, failure to secure high-quality education for pupils will not be accepted. The Government are committed to tackling underperformance. It is unacceptable that more than 200 primary schools have been under the floor standard in their key stage 2 results for five years or more and that more than half of those schools have been underperforming for at least 10 years. A further 500 or so have been below the acceptable minimum standard for three of the past four years. Those schools have let down repeated cohorts of children. We are starting work, as an urgent priority, on turning around the 200 schools nationally that have most consistently underperformed by finding new academy sponsors for them, so that they can reopen from September 2012. We want to work closely with the schools involved and the local authorities to ensure that that happens.

We have collective responsibility to make education provision more effective and efficient within the current economic climate. To do so, we must increase choice for parents and their children, so that they have the highest possible quality of education provision to choose from. Academies and free schools are a key part of that reform, but every education institution has a role to play. The security and predictability of front-line school budgets will be vital to that success.

My hon. Friend spoke about the importance of being able to plan for more than one year at a time. In December 2011, there will be another announcement on capital for future years, to address that planning point. We must ensure that there is up-to-date information, so that funding is targeted to the right areas. We are gathering that data now, so that funding can be targeted as accurately as possible on where the need lies.

We have announced that capital spending will be £15.9 billion over the four years of the spending review period, and I assure my hon. Friend again that no money is being diverted away from other schools to academies. Our commitment within the spending review is clear—to protect school funding in the system at flat cash per pupil—because even when funding is tight, as it is with the current imperative to tackle the country's budget deficit, we realise that it is essential that buildings and equipment are properly maintained to ensure that health and safety standards are met and to prevent an ever-increasing backlog of decaying buildings that would be difficult and expensive to deal with.

We have learned the lessons of the private finance initiative contracts entered into by the previous Administration, but it is important that in being able to deliver the necessary capital expenditure we transfer some of the risk of maintaining buildings to facility management operations that ensure that those buildings do not deteriorate. That is the essence of the PFI arrangement.

Mr Ward: The concern of the smaller schools—five primary schools and one small secondary school—seems to be affordability. Does the Minister have any words of reassurance for such schools?

Mr Gibb: I do not want to give assurance on a particular proposal, but in general terms schools must maintain their buildings, and when looking at whether something is affordable, the calculations often omit looking at what a school will have to spend on maintenance over the next five, 10 or 20 years. When assessing the value for money of a PFI arrangement, it is important to do just that, and not simply to compare the cost of building a school with a design-and-build arrangement within the PFI arrangements. It is important to take into account those long-term maintenance costs.

By stopping wasteful and bureaucratic Building Schools for the Future projects we have been able to allocate £1.4 billion to local areas to prioritise their maintenance needs, and that includes £195 million of devolved formula capital, which has been allocated directly to schools to use in line with their priorities. On top of that, we have allocated £800 million of basic need funding for 2011-12, which is twice the previous annual support, despite the fact that we are dealing with a very difficult budget deficit. As recent events in Europe have proved, we took the right decisions early on in this Administration to help to tackle that deficit.

Earlier this year, the Secretary of State announced an addition to the £800 million of a further £500 million to provide extra school places where there is greatest pressure caused by the increasing pupil population—that makes a total of £1.3 billion—because we recognise the importance of ensuring that every pupil has a place when they start school, whether primary or secondary school.

Future allocations and the management of funding for 2012-13 to 2014-15 will be informed by the outcome of the capital review, but the Secretary of State has already indicated that local authorities may expect the headline amounts of capital available in future years to be broadly in line with those allocated when we first announced the figures for 2011-12.

As well as radically reviewing how capital funding is allocated and spent in future, the Government have renewed their focus on finding an academy solution for the weakest primary schools in the country. In that respect, Bradford will be supported by the Department for Education in challenging underperformance and securing improved performance in schools that are struggling. The introduction of the academies and free schools programme should be viewed as an additional tool in the arsenal of local authorities as they seek to eradicate any basic need pressures they are encountering. We believe that giving those involved in education the freedom, flexibility and support they need to shape the future of our schools and opening up opportunities for others to enter the education sector will offer an education system to meet the needs of local communities.

1.28 pm

Sitting suspended.

Basement Developments

1.30 pm

Ms Karen Buck (Westminster North) (Lab): I am grateful for the opportunity to speak in this short debate. I am pleased that the hon. Member for Cities of London and Westminster (Mark Field) is also joining us. I know he has concerns about basement developments, too.

I have been conscious of the issue over the past year or two, having received constituency correspondence on it, and I was aware that the matter had been raised by amenity associations in various boroughs in central London. However, it was not until I accepted an invitation to see one of the larger basement developments in NW8 a couple of weeks ago that it really came home to me just what an extraordinary change we are seeing in some of our inner city communities.

I saw a basement excavation stretching between Hamilton terrace and the mews behind it in St John's Wood. It seemed that the excavation was the size of an aircraft carrier—absolutely vast. It was far greater in scale than I had expected. Not only was this enormous excavation going on, but lorries that were turning into the mews to take away the soil were pounding away. There was noise and filth in the air. The small mews was already buckled by the pressure of the lorries coming into the street, which was not designed for the kind of traffic that was being imposed on it. It was vividly brought home to me how disruptive such basement developments are. They are an imposition on many residents in areas where they have become such a striking phenomenon over the past couple of years.

We all know that building works are a hazard of urban living. We live in a growing city. Wherever we live in London or other cities, at some stage we are likely to experience building works. It is right that we must endure some of this as our infrastructure is updated and as much-needed new housing development is fitted into our growing cities. However, if we look at some of the plans for basement developments that are now spreading all over inner London, we are not talking about infrastructure development or new house building. In many cases, basement developments—sometimes double basements going down two levels—stretch not just under the footprint of the house or even one or two thirds beyond the footprint of the building itself, but through an entire garden. Those gardens are sometimes substantial, because they are in our more prosperous neighbourhoods. Plans include underground cinemas, swimming pools, gymnasiums and gun rooms. Delightful as that may be for residents fortunate enough to live in such properties, it is hard to accuse those who object of restricting the necessary growth and infrastructure development of our city.

Mark Field (Cities of London and Westminster) (Con): I agree with what the hon. Lady says. The Knightsbridge Association in my constituency, among others, has made it clear that it is not opposed in principle to the provision of basements beneath existing houses, but it is concerned about aspects of the design, construction and usage. What applies in the hon. Lady's seat similarly applies in mine. We are dealing primarily with terraced houses. As in many other parts of London, they are 19th-century houses, built as terraces of varying widths and with a number of different storeys. They have proved remarkably adaptable over the past century to changing housing needs as well as changing tenure and household size. Does the hon. Lady share my view that in recent years almost unprecedented pressure has been brought to bear, along the lines that she has pointed out, to attach a bathroom to every bedroom and find space for home cinemas and gymnasiums at subterranean levels? That can cause real problems: it is not just the soil but the disruption to which she has already alluded.

Ms Buck: I agree with everything that the hon. Gentleman, my neighbour, has outlined, and I will touch on a few of those points.

We know that, for the most part, basement developments are not opposed in principle, but their scale and the speed with which such major developments are now spreading over large parts of inner London is a major concern for neighbourhoods. I have already mentioned what I saw myself in terms of the scale of some of the building works and the disruption and damage that they do. The damage to neighbours, streets and pavements is uncompensated. It can become a burden on the local authority that has responsibility for mending pavements, or it can fall on residents in the case of some of the unadopted roads and mewses. None the less, the damage is not compensated in any way.

The sheer scale and number of basement developments means that the noise is incessant, even when builders keep within the considerate builders code—sometimes they do; sometimes they do not—because the works are so substantial and prolonged. As my neighbour, the hon. Member for Cities of London and Westminster, has said, many of the properties are terraced—substantial, certainly—so there is no buffer zone between the residential properties affected.

I heard a sad story of one resident in St John's Wood who is suffering from cancer. Living in the middle of two properties, they had to endure the noise and nuisance of a major basement development on one side. They got through that particular nightmare—it is always difficult living next to building works—and then found that an application for a basement development had been made for the property on the other side.

Sir Hugh Cortazzi, a local resident who I am delighted to see has turned up to listen to this short debate, has been corresponding with me on this issue. He describes his experiences as follows:

> "The excavation of the basement and garden at an adjoining property has been continuing since September last year and vast quantities of earth have been removed via trucks and skips. The pollution and noise are extremely disruptive but they will also cause damage to the environment, alter buildings in a conservation area and could have adverse effects on the water table and drainage in an area built on streams which already suffers from subsidence".

An editorial in *The Lion*, the parish magazine of St Mark's church, Hamilton terrace, added:

> "The digging and tunnelling not only devastates existing gardens but damages the water balance and root systems in surrounding properties...hidden waterways have suddenly come to light, causing unexpected flooding...we must ask ourselves whether those with millions to spend should be allowed to endanger the quality of life for their neighbours by embarking on developments that could damage the area for years to come".

Responses to the Westbourne neighbourhood survey included these findings:

> "We have been through hell and beyond not with a basement development but steelbox frames underpinning our back extension against our wall—2 years of hell...and we cannot open our front door...We are about to be sent to an early grave—works are now being applied for next door on the other side".

Last night, I received an e-mail from another constituent in Hamilton terrace. They asked whether I

> "would also look at the gigantic building operations at…Hamilton terrace for which the application was for minor alterations. The actual operations are reaching out almost two thirds into the garden, and I have complained to WCC without receiving an acknowledgment or an answer. Last week when I was home briefly…I could not lock or unlock the basement door into the garden for the second time in two months because of the movements caused by the huge digging works…So for the second time in that period I had to call a carpenter to repair and adjust the door. On top of all that I have been suffering endless dirt and dust from the building works apart from the noise which makes serious work…during the day utterly impossible."

Mark Field: Some solutions are in place. There is the issue of planning law, and it is vital that local authorities produce an annual public report, so that we are aware how many applications for this type of development have been approved. Could one further provision be a highway licence? We must ensure that the streets function normally, so where licences have already been issued—as in the cases to which the hon. Lady referred—it should be possible to bar further works for a period of time and stop the intense disruption that has taken place. Things such as skips and builders licences should be charged for by the day, just like a parking meter. That would provide a strong incentive to minimise the disruption to people's lives, to which the hon. Lady referred.

Ms Buck: I agree with the hon. Gentleman, and I will touch on those issues in a moment.

Westminster city council—the authority with which I am concerned, although I know that other inner-London authorities deal with similar issues—states in its policy guidance:

> "The environmental impact of subterranean development also has potential to be significant and result in increased carbon emissions, due to additional requirements for lighting, ventilation and pumps. By limiting the extent of basement developments and requiring them to meet sustainable design standards, negative environmental impacts may be reduced."

We know, however, that due to a degree of uncertainty about current planning guidance, some local authorities—Westminster in this case—are anxious about their ability to block developments.

I have mentioned the devastating impact of some developments experienced by neighbours and local communities, but we must also remember the sheer scale of some of the work—that took me by surprise, and I am indebted to the work of the St John's Wood Society, South East Bayswater Residents Association and others, for their mapping of such developments. The St John's Wood Society has identified no fewer than 86 basement applications in that corner of NW8 between October 2010 and September 2011, plus 10 repeat excavations; Hamilton Terrace alone has 13 applications.

In the Westbourne Neighbourhood Association survey, to which I have already referred, 47 local residents said that their area contained local developments of the kind under discussion. When asked, "Did party wall agreements broadly cover your building repair costs?" three quarters answered no. There was overwhelming support for greater legislative protection, an enforceable code of practice and greater powers for local authorities to block or restrict developments where necessary.

Mark Field: Does the hon. Lady agree with the Knightsbridge Association, which wrote to me before the debate? Its view is that

> "provision should be made in party wall agreements for a bond to be put up by the developer or an insurance taken out to ensure that neighbours are able to obtain redress where problems are caused."

As the hon. Lady is aware, all too often, the offending party may not be a UK national, and it can be difficult for those who have lost out financially—often quite substantially—to secure the redress that they deserve.

Ms Buck: That is a good point, which deserves to be explored, and I look forward to hearing the Minister's response. Neighbours affected by such developments often find that work is done by companies or people who are not UK residents and that those who live at the property will not necessarily be there for a long time or are not in full-time occupation. People's ability to obtain leverage during the building works, or redress afterwards, is limited.

The problem has increased over the past two or three years and is impacting negatively on local communities and individuals. Nobody seems able to protect residents affected by such developments, whether it is the local authority or organisations such as the Grosvenor or Cadogan estates, or the John Lyon's Trust, which manages some of the properties in St John's Wood conservation area. Such agencies do what they can by way of guidance and a voluntary code of conduct for subterranean development, but it is understandably difficult for them to act where the planning authority cannot. Everyone is keenly aware of the amounts of money behind these developments, which makes opposing them risky in the absence of clear Government guidance.

The previous Government amended the Town and Country Planning (General Permitted Development) Order 1995 in 2008, and removed the volume restriction that had previously limited home owners to developments that did not exceed a fixed percentage of their floor area. The 2008 guidance seemed to confirm that basement excavations should be permitted, although subject to conditions and restrictions intended to limit the impact on others. I am not sure, however, that the pace and scale of change was—or could have been—foreseen in 2008, and three years on, the system is obviously not working. If the legislative framework is inadequate, especially given the size and number of subterranean developments, what do the Government think can be done to rectify the situation?

I seek clarification on whether the current unsatisfactory situation results from a correct interpretation of the 2008 legislation, which may therefore require further amendment, or whether the legislation has been interpreted wrongly. In the latter case, can the issue be resolved by an additional consultation process to correct and restore the original intent of the measure? I believe that that

[Ms Buck]

point was raised with Ministers by representatives of the St John's Wood Society and others, at a recent meeting, and it would be good to have an answer from the Minister.

If, however, the developments are based on a correct interpretation of the 2008 guidance, what options are now available? The hon. Gentleman mentioned proposals by the Knightsbridge Association and other amenity societies. I will not go into too much detail, but those proposals include the removal of permitted development rights to allow the implementation of stronger safeguards to protect neighbours and local neighbourhoods, and better guidance for inspectors at appeal. It is frequently felt that inspectors are not familiar with the conservation areas most affected, given the nature of central London where the basement developments are being built, and that they are not necessarily best placed to make their objections known. Other suggestions include updating the Party Wall etc. Act 1996 to allow more control over construction and compensation for residents of adjoining properties. That could include allowing bonds to be set up against the development. Existing building regulations could be reviewed to ensure that the interests of conservation areas are considered when assessing the development application.

Given the proposed amendments to the Localism Bill in the other place, it would be helpful to know what scope the Minister thinks has been provided for local authorities and residents to protect themselves against excessive subterranean developments and the combined impact of multiple developments in a small area. What can the Minister offer by way of stronger and clearer guidance to the small number of inner-London authorities where almost all such developments are taking place?

This is not nimbyism or an objection to new infrastructure or housing developments—indeed, the St John's Wood Society played a constructive role in the future development of the King's Troop barracks. It is, however, a response to a real and worsening problem that was probably unforeseeable only a few short years ago. Like Chelsea and Bayswater, St John's Wood may be a largely prosperous area, but its residents have the same right as anyone else to be protected from unacceptable noise, nuisance and disruption that prevent them from the quiet enjoyment of their homes. We have a shared interest in protecting the urban environment and the character of our residential neighbourhoods, which contribute to making London the city that we love so much.

Mark Field: I thank the hon. Lady for an excellent speech. She will appreciate that we work on a bipartisan basis, putting the interests of our constituents first. She did not address this issue directly, but James Wright, chairman of the Belgravia Residents Association suggested, with some validity, that basements are often developed by non-resident, non-UK taxpayers, for the benefit of a single wealthy individual and at significant cost to the environment and community, as highlighted by the hon. Lady. Furthermore, extensive damage is caused to roads, and repairs are often paid for by the taxpayer, because the developer is not accountable for that. There are also concerns about the loss of viable gardens and mature trees because of basement developments, particularly those that go deeper than two storeys.

Ms Buck: I think that I covered most of those points in my contribution, but the hon. Gentleman is right. Those living next to such developments should not have to suffer the disruption and upheaval that now takes place at a relentless pace, given the scale and number of developments under way. Residents, taxpayers and local authorities should not be expected to foot the bill for damage and disruption inflicted by such developments on a number of our neighbourhoods. Through available vehicles such as the Party Wall etc. Act 1996 or planning guidance, it is clearly time to say that something has gone wrong over the past two or three years and that firmer, stronger controls must be introduced to protect people's interests.

1.49 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is a pleasure to see you in the Chair, Mr Sheridan. I congratulate the hon. Member for Westminster North (Ms Buck) on securing the debate and I acknowledge the very constructive interventions and support that she has had from my hon. Friend the Member for Cities of London and Westminster (Mark Field).

This is an important debate about planning and basement development. It raises important issues, not for the first time in relation to planning, about balancing sustainable development with individual rights, and I will happily do my best to respond. The issues have been well set out by the hon. Lady. She is particularly concerned about problems arising from home owners' wishes to increase the size and value of their home by extending the property through the excavation of new basement rooms. I recognise that there can be a problem with such development. It tends to occur in a fairly limited geographical area, predominantly in parts of central London, as we have heard. I am also aware that the cause for concern is often not the completed basement, but the disruption that can be caused during the construction phase. That is precisely what was graphically described by the hon. Lady.

This is quite a complex issue, because it covers many aspects of both the planning process and the construction process, including concerns about noise and general disturbance and issues about the consistency and effectiveness of enforcement. There is not necessarily, therefore, a single silver bullet that can deal with the problem, but there are existing powers and good practice available to tackle it, and I will endeavour to set those out.

It is important to bear it in mind that the planning system is designed to consider the impact of a development once complete, and of course it is often the case that subterranean developments, once complete, have little visual impact. The system is essentially about land use and visual impacts. What we are talking about today is generally an extension to an existing acceptable land use—a dwelling house. In the end, its visible impact will be limited, but I do understand that that does not help the people experiencing the disturbance during its construction. However, although there are some limitations, people often regard the planning system as the most reliable route for alerting a local community that a development is proposed—we are all familiar with the requirement to put up notices and so on—which can then act as a trigger for wider engagement on how any development will take place.

It might be helpful if I describe how the planning system deals with subterranean developments and the controls available. A planning application is likely to be necessary for a substantial new and deep basement, but as I think the hon. Lady conceded, that will depend on the size of the existing property. It generally depends on the size of the extension in relation to the original size of the house, as is well known. None the less, where permitted development rights grant planning permission without the need for an application, a local planning authority can consult on using the powers available to it to ensure that the proposals are brought back under its control through the planning process. In other words, it is possible to issue an article 4 direction—that is article 4 of the Town and Country Planning (General Permitted Development) Order 1995—which removes the permitted development rights in relation to the proposed development. In those circumstances, an application must be made in the normal way.

Local authorities are already required to consult neighbours and other interested parties on planning applications, and we already advocate pre-application engagement between applicants and neighbours. Local authorities can use locally prepared planning policies to set the standards by which planning applications for subterranean development will be assessed. In addition, local authorities are able to produce guidance that can outline matters such as submission requirements and the standards that development will need to achieve. Our proposals to introduce neighbourhood planning provide further opportunities to fine-tune the detail to reflect what may be particular concerns in particular neighbourhoods of London or other major cities. Local authorities can already require applicants to ensure that their planning applications are accompanied by a construction method statement and require such a statement to be prepared and signed off by a chartered civil or structural engineer. Those methods can deal with some of the matters raised.

Ms Buck: Perhaps the Minister is coming to this point, but one of the grave concerns of residents in places such as St John's Wood, Chelsea and so on is that, although each individual development can be close to unbearable, the compounded effect of, say, 13 developments in one street in St John's Wood is absolutely intolerable. What powers does the local authority have to consider the compounded effect of numerous developments, rather than each individual one on its merits?

Robert Neill: As a matter of planning law, local authorities can have regard to cumulative impacts and they can attach planning conditions to the permissions to ensure that developments meet the standards set for such development. Of course, they have to consider each of those on a case-by-case basis, but it is well established in the case law that cumulative impacts can, in the proper circumstances, be a material planning consideration.

That is the position as far as planning law is concerned. I will also consider building control, because the two are closely interlinked. It is likely that subterranean development work would be required to meet the Building Regulations 2010. Therefore the person in control of the works—from what I have heard, I imagine that that would be the contractor in these cases—will either have to submit plans or give a notice to the local authority building control department about the development. That enables the works to be inspected by a building inspector on behalf of the local authority. The building inspector will have to be satisfied that the basement structure complies with the relevant requirements. It is fair to say that much of the building regulations concentrates on the safety of those working on the site. I do not think that that is suggested as the primary issue in this case, but it is worth bearing in mind. The building regulations are also concerned with ensuring that nothing is done to impair the stability of the building during the construction process. Again, that can be a worry for neighbours.

Work would also need to be carried out in accordance with the Construction (Design and Management) Regulations 2007 and various other related health and safety measures. Regulation 31 of the 2007 regulations requires steps to be taken to ensure that an excavation is safe both for those within the building and for neighbours.

The noise and other sources of potential nuisance, such as dust and deposits, that we have heard about can be dealt with through the statutory nuisance regime set out in the Environmental Protection Act 1990. In addition, the specific issue of noise from construction sites can be dealt with through the powers in the Control of Pollution Act 1974.

Mark Field: The big concern that many of our residents have, whether this is on grounds of planning, building regulations or environmental protection, is that ultimately they are often up against an applicant who is incredibly wealthy—who has very deep pockets—and can bypass all of those. I am talking about the lack of the cumulative robustness that is required in this whole area to ensure that we do not have a David and Goliath situation between a developer wanting to drive ahead and, obviously, add great value to his property through substantial works along the lines that we have described, which are incredibly disruptive, and a local authority whose hands are tied behind its back because of what are obviously very inadequate protections or notional protections.

Robert Neill: I understand the point that my hon. Friend makes, but perhaps it is not entirely fair to say that the controls are inadequate. There is without doubt a fairly new challenge because of the technology and the type of building that we have only fairly recently seen. However, there are powers, if they are robustly enforced.

Ms Buck *rose*—

Robert Neill: May I just make this point? The Control of Pollution Act 1974 enables issues such as the equipment type, the hours of working and acceptable noise levels to be stipulated, so there is a control there, if it is robustly enforced.

Ms Buck: I am grateful to the Minister for giving way; we are about to run out of time. Will he either mention briefly the scope for looking at the Party Wall etc. Act 1996 in particular, as per the proposals that the

[Ms Buck]

hon. Gentleman and I have outlined, or meet us separately, possibly with representatives of the local amenity societies, to consider what action might be available under that set of powers?

Robert Neill: Certainly. The 1996 Act was considered in relation to the Localism Bill. As time is short, perhaps I will write to the hon. Lady, setting out the views expressed in the other House. We can then consider the matter if she wishes to make further representations. I think that that is the fairest way to do justice to her and her constituents—

2 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Wednesday 9 November 2011

[PHILIP DAVIES *in the Chair*]

Adoption

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Goodwill.)*

9.30 am

Jessica Lee (Erewash) (Con): It is, as ever, a pleasure to serve under your chairmanship today, Mr Davies. It is my privilege to be able to bring this debate to the Chamber. The issue of UK adoption rates is topical and extremely important. Last week was national adoption week, and the issue has caught the public imagination. There is much to be said about the adoption process in the UK.

I must declare an interest as a family law barrister who has represented, over the years, parents, children and local authorities, in the child protection arena, since qualifying about 10 years ago. That has given me an insight into the many strains and pressures on those who work in child protection, and how those factors impact on the adoption process in the UK. I hope to set out some context, showing the different complexities that need to work together to improve the adoption process. However, I also consider the debate a perfect platform from which to encourage prospective adopters to come forward and be assessed, and to thank those who have stepped up to the mark and are now parents. The attendance at today's debate shows that it is of interest across the parties.

The recent figures on adoption levels in the UK should cause alarm bells to ring. In the past year, of the 3,660 children in care under the age of one year, only 60 were placed for adoption. Those figures are a matter of concern, but they continue a trend that has troubled the Department for Education since the formation of the Government last year. For those of us with an interest in that area, the commissioning by the new Government of the Norgrove and Munro reviews, and the appointment of Martin Narey to review the adoption process—among other things—was most welcome. I know that the Children's Minister, the hon. Member for Brent Central (Sarah Teather), and the Secretary of State have taken a real interest in the subject matter.

I read this week a moving account by my right hon. Friend the Secretary of State for Education of his experience of childhood after being adopted.

Ann Coffey (Stockport) (Lab): I was looking at the adoption statistics, and it seemed to me that the decline in the number of adoptions is associated with an increase in the number of special guardianships being granted. When those are combined, the absolute numbers, in terms of giving permanence to a child, have increased since 2006. Does the hon. Lady agree that special guardianship orders, as well as adoption orders, can give the permanence that we seek for children?

Jessica Lee: I agree that when special guardianship orders came in, they brought about something that was much needed in the system. It is often, although of course not always, relatives of the child who step forward, and the orders provide another avenue of permanence and security for the child.

Mr Edward Timpson (Crewe and Nantwich) (Con): I congratulate my hon. Friend on securing the debate, about which many of us feel passionate. She has carried out a duty on behalf of us all in championing the matter in Parliament.

Although since 2005 special guardianship orders have been an important addition to the routes to permanence for children, is it not the case that the number of children being adopted had already flatlined in the two or three years before those orders were introduced? We need to be careful not to make a direct comparison between special guardianship orders and adoption orders and assume that one is replacing the other.

Jessica Lee: I pay tribute to my hon. Friend the Member for Crewe and Nantwich (Mr Timpson), who has shown leadership in the House in taking forward the issue of outcomes for looked-after children. I agree with his point. Special guardianship orders have their place and have been very useful in the child protection arena, but I do not accept that there is a direct correlation between the introduction of those orders and the reduction in adoption figures. It simply is not that straightforward. It should be borne in mind that often other residence orders or long-term foster care arrangements have supported special guardianship orders.

To return to what I was saying about the Secretary of State, he has taken the view that his life chances were transformed by the childhood that he experienced. He hopes to support looked-after children who are waiting to be placed for adoption. I was very encouraged by the interest shown by the Prime Minister in the issue in his party conference speech and subsequent remarks. I was delighted to hear him comment on the importance of improving adoption rates. I was also delighted with his response to my question at Prime Minister's questions, which included this comment:

> "It is also important that the Government pledge that we will make the process of adoption and fostering simpler. It has become too bureaucratic and difficult, and the result is that it is putting people off. I am absolutely determined that we crack this."—[*Official Report*, 2 November 2011; Vol. 534, c. 923.]

I am sure that we would all agree with the Prime Minister about that.

Pulling all the indicators together, the message is clear. There is a momentum in the House and the country to tackle the challenges affecting the adoption process. We must seize the opportunity. The starting point must be the assessment process for prospective adopters. Last week's national adoption week was an excellent opportunity to showcase, across the country, the need for adoptive parents, and the need to raise awareness. It is hoped that families and individuals will reflect on the possibility of adoption and make that important phone call to local authorities to start the process. Sadly, there are many anecdotal examples of that first step in the process—contacting children's services—being a hurdle to overcome. I worked with and for social workers for many years, and I assure hon.

[Jessica Lee]

Members that I am not going to turn my speech into criticism of those who work in the field. The difficulties I mention are merely an example of the problems that occur all the way along the process of adoption.

Anecdotally, some applicants report being discouraged from the outset, and more needs to be done to ensure that all possible applicants are appreciated and encouraged to apply. Until we get people up to the starting line for the assessment process it is difficult to improve the number of applicants. With the current numbers of successful adoptions, we cannot afford to discourage people at an early stage. The entire assessment process needs to be streamlined and improved.

Mr Marcus Jones (Nuneaton) (Con): I congratulate my hon. Friend on securing this important debate. Last year I spent an afternoon out with Warwickshire social services, and met foster carers, who were doing a terrific job looking after some of the most vulnerable young people. They were very concerned because of the delays in adoptions, which caused problems, leaving the young people uncertain for some time. Does my hon. Friend agree that streamlining and speeding up the process would help our most vulnerable young people?

Jessica Lee: I am grateful to my hon. Friend, who has essentially summed up the problems. There is not one individual, agency, organisation or Department at fault. We are dealing with an entire system that needs to be examined and improved throughout. A domino effect of improvements is required.

Susan Elan Jones (Clwyd South) (Lab): Is the hon. Lady aware of developments in Wales? The Welsh Assembly Government are consulting on the possibility of unifying the adoption capacities of local authorities into a super-agency, with the idea of reducing duplication and, hopefully, providing speedier and better matches between adoptive parents and children. I imagine that the hon. Lady, like me, would welcome that approach.

Jessica Lee: I of course welcome any initiatives that are being taken, and I am sure that more information will be presented about the pilots and process in Wales, which will help us all, throughout the country.

Turning to the streamlining of the process, I ask the Minister this: do the Government consider that the process takes too long on occasion? Are the assessments too lengthy? Is there too much bureaucracy? Again, I am not criticising individual social workers—adoption is not an easy area to work in, and those working in adoption teams are often passionate and committed to seeking a placement for children for whom they are responsible. My concern is about the culture that has developed regarding assessment and the heavy-handed approach to form-filling. We need to reach a position where professionals feel confident to exercise their judgment to make decisions. That is perhaps reflected in the conclusions of Eileen Munro's review into social workers and how we can improve prospects for professionals.

Mr Andrew Smith (Oxford East) (Lab): The hon. Lady has been generous in giving way, and I congratulate her on securing this important debate.

May I reinforce the hon. Lady's point? Does she agree that Martin Narey's evaluation of what is going on in the area is striking? He reported that one local authority required

> "prospective parents to go through 146 pages of assessment."

He also met a couple who had had to spend

> "12 days with a social worker in their home assessing their readiness for adoption."

At a time when almost

> "three quarters of councils failed to place a child with their new adoptive family within 12 months of the adoption being finalised",

does she agree that on both sides of the House we need to give the strongest support to Martin Narey in sending out the signal that pace and purpose need to be brought into the whole process, in the interests of the children?

Jessica Lee: I agree with what the right hon. Gentleman has said. Of course we need to support Martin Narey, and I will come on to his report.

Another anecdotal example that one hears is that households are assessed through a form that is several pages long about the number of pets in the household, the fire drill process and so on. It prompts the question: where does the balance fall? Of course we need to safeguard children—no one would object to that. However, if every family of every newborn child who goes home from hospital with their natural parents had to produce a fire drill, a pet assessment form and details about its private life, the country would come to a standstill. We do not want to discourage people who have agreed to adopt and who have made an emotional commitment and a life-changing decision from applying. The concern, which we must tackle, is that such people are distracted or discouraged from continuing the process. In his report, Mr Martin Narey gives some excellent examples of where the problems lie.

Mr Marcus Jones: My hon. Friend is generous in giving way. Regarding the point that she has just made, does she agree that although we need, first and foremost, to ensure that adoptive parents are fit and proper to take on an adoptive role, by no means should the Government or the state tell the people who are fit and proper to look after children how to run their lives?

Jessica Lee: The point is well made by my hon. Friend, and I thank him for the intervention. It is exactly that balance that perhaps we should all refer to this morning. There is a clear dividing line between assessing and safeguarding children and deciding whether they would be in any risk in a household, and commenting on people's lifestyle choices and intimate details, which is simply not relevant to whether people are fit and capable parents.

Another aspect to speeding up the adoption process is the time limit for courts in completing care and placement proceedings. The family justice review, headed by David Norgrove, has just produced its final report. Sections of the report are relevant to the debate on adoption rates in the UK.

It is broadly accepted that children make their main attachments in the earliest months and years of their lives. It goes perhaps without saying that the more secure are their relationships with their main carers, the more likely it is that they will form secure attachments and relationships in childhood and beyond.

It is important to remember that the paramount priority of the family court has been and always will remain the welfare of a child. Again, I make no criticisms of all the professionals and others involved in the court process; I know at first hand how hard-working and committed the court staff, lawyers, social workers and children's guardians are. However, there are long delays in the completion of cases. Care and supervision cases now take an average of 56 weeks. One can say that a young child is subject to proceedings for a high percentage of their life—often 50% or more. There is no magic wand for that problem. It requires consideration of case management, court availability and judicial leadership.

We already have in place the public law outline, which sets out the parameters for how cases should progress. Judicial continuity and strict case management are just one important aspect of how we could speed along proceedings.

Mr Timpson: Regarding the court process, judicial continuity and case management, is it not also important that the initial allocation of a care case is done with the utmost expediency and by a judge with the right level of experience, to ensure that there is not even more delay built into the court process, so that the time limits that we are trying to adhere to are more likely to be kept?

Jessica Lee: I agree with my hon. Friend's point. At the moment, all public law cases automatically go to the family proceedings court. They may then be transferred to higher courts, such as the county court or even the High Court. However, when we are dealing with strict time limits and concerns to create outcomes for children, every extra court date is time not best used. It is a waste of the child's time, and we must improve the situation. I would support any proposals that allocate cases more efficiently and directly to the correct level, so that they can be properly managed by appropriate judges.

The Norgrove review proposes a limit of six months in which to complete proceedings. That is certainly a good aspiration, but if that is to be achieved, it will require the coming together of many aspects of how the courts function. I realise that the report has only just been published, but I ask the Minister for any preliminary response to it, and what the time scale is for a detailed Government response to that important document. Six months is a reasonable period in which to make an assessment. A court's primary and first consideration and hope is that a child may be returned to their birth family and stays with it. Following that is an assessment and consideration of the parents and any other family members. We need to speed up the availability of court time.

Judicial continuity is important. If a judge is charged with the responsibility of a case from the outset, they will have a much better understanding of the dynamics, personalities and initial concerns of a social worker. They will have a grip on the background and chronology of the case; they will have seen it through. It is much more difficult for a judge to step in halfway through a case and make important and life-changing decisions for a child. I am sure that many judges would wish to have judicial continuity throughout cases—they aspire to that as well—so I hope that can be achieved over time.

Once the court process has been exhausted and a placement order made, allowing local authorities to match a child with prospective adopters, there are further hurdles and challenges. A local authority has to consider the pool of adopters within its authority. Again, one has to think about the cost and other complications of looking further afield from the outset. However, is that a sensible, child-centred approach? Surely, we need a more straightforward structure in which adoption teams across the country can consider as wide a pool of prospective adopters as possible from the earliest opportunity. That could save months when matching children with prospective carers.

Claire Perry (Devizes) (Con): I apologise for arriving late to this extremely important debate. I have considered adoption. I am 47 years old and have successfully brought up three children. I know that there is a big question over whether MP mothers are fit people to adopt, but I am also considered too old to adopt because of some absurd guidance on the age spread between the adopted child and the adoptive parents. Surely it is time to stop that insanity and allow these vulnerable children to be placed in loving homes regardless of ethnic background and age. We need a return to common sense.

Jessica Lee: I agree with my hon. Friend. Of course we need a common-sense approach. There are thousands of children in care who are waiting to be placed, and we must do all that we can to help them.

The issue of concurrent placements is important. Foster carers who are caring for children throughout the court process—the care proceedings—can also become the adoptive parents without having to be assessed all over again. The advantage is that children are in their prospective home and able to form those important attachments from an early stage. That is surely desirable and needs to be encouraged. Organisations such as Coram are skilled and successful in implementing such an approach, and authorities, including the London borough of Harrow, have championed it.

Of course there are consequences to such an approach. We are asking foster carers to make an emotional investment, and yet they are often left for months on end waiting for the outcome of the assessments of everyone else to see whether they can keep the child for the longer term, so it is not for the faint-hearted. None the less, there are many advantages to the concurrent placement approach. I hope that the Government will consider increasing the number of concurrent placements and also how they are undertaken across the country.

Another aspect of the adoption debate is the question of how important it is to secure a cultural and ethnic match between prospective parents and the child. In my experience, this is a debate in which feelings can run very high, and professionals and parents hold a variety of views. Of course there are many who have a greater knowledge and insight into this issue than I, but for what it is worth my view is that we have taken a step in the right direction with the recent change in the legislation that says that a culturally appropriate match is desirable but is by no means a prerequisite or a deal-breaker.

[Jessica Lee]

It is easy to be simplistic about this topic, but it is difficult to accept that it is better for a black and minority ethnic child to have to remain in care for all of their childhood instead of being placed in a loving home because there is not an ideal ethnic match.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on bringing this debate to the Chamber today. Often foster parents and those who wish to adopt go overseas to adopt. Does that not illustrate the problem that we are trying to highlight today—that it is quicker to adopt overseas than at home? Surely there needs to be a quick change to the system for the very reasons that the hon. Lady has stated.

Jessica Lee: I agree with the hon. Gentleman. I have many anecdotal examples of this issue. I have met many adoptive parents who have spent years hoping to adopt children and who have, eventually, had to turn to agencies overseas. It has taken years and cost them a huge amount to parent a child. That is a tragedy and must come to an end. Society has moved on considerably on this issue and those not involved in any way with the court or adoption process are often amazed to hear that they may not be considered as parents for a child because there is not a good cultural match. I do not think it is fair on BME children who are in foster care to be disadvantaged in such way. We must make progress on this issue.

On the issue of sibling placements, there is evidence that the loss of contact with birth siblings is a real regret to adopted children. We need to do more to support successful sibling placements and to encourage contact and communication between siblings throughout their childhood. I have friends who went from having no children to having three overnight, aged three, two and one. It was a life-changing moment for them, but it ensured that the sibling group were able to stay together. I can now report that those children are flourishing and experiencing a very happy childhood.

It is easy to be over-simplistic about this issue and there will be many examples of situations where it is not in a child's best interests to maintain such relationships. None the less, if such relationships can be sustained they should be, and this is where the care plans that are devised at court and the role of the independent reviewing officer come to the fore.

When the case completes in court, the judge will sign off and approve the final care plan. A section in that will include the contact—contact with birth parents and with birth family, which will include siblings as well. A real regret for judges is that they do not know what happens after that point; they have no judicial role once the case has concluded. The case then moves to the management of the local authority and the independent reviewing officers, who have a key and pivotal role to play in the whole adoption procedure. I hope the role of such officers is supported and perhaps even increased and improved over the years. They are charged with the responsibility of checking on that care plan and seeing how it is being implemented. The loss of birth parents can be difficult for children as they grow up, but the loss of siblings with whom they may have been very close can be something of real regret. More needs to be done to improve and encourage not just the placement of siblings together but sibling contact if children have to be separated.

The issue of Criminal Records Bureau checks also needs to be considered and changed across many Departments. A constituent of mine wanted to volunteer to work with the local Home-Start charity. Erewash is lucky to have such a good Home-Start team who do great outreach work, especially for young mums, and work very well with the local authority. The constituent put in for her CRB check and she was confused with another lady who did not even share the same name. The check came back saying that she had a number of convictions. That is simply not the case and it has taken months to resolve the matter. My concern is again with the system that we have. We are dealing with an individual who wants to help; she wants to volunteer in her community and help young mums, and the system has done everything it can to try to prevent her from doing that. We must not let such problems with bureaucracy get in the way. Such problems are also reflected in the adoption process, but I have already covered them in this debate.

Martin Narey, the former head of Barnardo's, has been appointed by the Government to advise on adoption. He has worked extremely hard and been bold and direct in his conclusions about how we move forward. Both his work and the campaign that has been championed by *The Times* have done a huge amount to raise the issues across the country.

Richard Graham (Gloucester) (Con): I warmly congratulate my hon. Friend on today's debate. On the campaign organised by *The Times*, would she join me in paying tribute to the newspaper for its leadership on the issue, to Martin Narey and to the Children's Minister, the Under-Secretary of State for Education, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), who commissioned Martin Narey to write his report and who has adopted his recommendations? The Prime Minister has both warmly welcomed the report and called for an overhaul of the adoption process. Does she not agree that for the first time in many years, this Government are showing real leadership on the issue of tackling these problems?

Jessica Lee: I agree with everything that my hon. Friend said. I reiterate that there is a real momentum—within Government, across parties and across the country through *The Times* and other publications—to raise the profile of this issue, so we really must do more.

There are many threads and complexities to this issue, but at the heart of this debate is a wish to raise the profile of adoption, to encourage adoptive parents to come forward and to point out how rewarding and valuable adoption of children can be. Like any life-changing decision, it will not be without its challenges and ups and downs, but from the many, many discussions that I have had with adoptive parents I know that their lives have been enriched by the decision to open their homes and to care for children.

As politicians, what we need to focus on now are the real challenges of making the system of adoption as streamlined and as efficient as it can possibly be.

Ann Coffey: I congratulate the hon. Lady on securing this debate, and she is making a very thoughtful contribution to it. Does she agree that although we must of course have more adoptions, we must also have more successful adoptions? The research indicates that about 11% of adoption placements break down and that is heartbreaking, both for the adopted child and the adopting parents. Does she think that the Department for Education could take more of a lead in commissioning research into adoption breakdowns, so that we have a better perspective on what goes wrong and can secure more successful placements in the future?

Jessica Lee: I thank the hon. Lady for her intervention. In my view, the Department is doing exactly that; it is examining the entire process of adoption, root and branch, in detail. So I am confident that those points are being considered. Her point about the need for post-adoption support is a good one, and it needs reflecting on. Perhaps it takes us back to the points that I made about the role of the independent reviewing officer in reviewing case plans and reviewing the position of children.

I conclude by saying that better outcomes for looked-after children should be our goal. It is attainable; I feel that the momentum towards achieving it is there, and I ask everyone to do their bit to improve the adoption system.

10.1 am

David Simpson (Upper Bann) (DUP): I am grateful for the opportunity to speak. I will be brief, because I know that right hon. and hon. Members want to contribute to this debate.

I congratulate the hon. Member for Erewash (Jessica Lee) on securing this debate on an issue that is very important to a lot of people out there among the general public who are interested in becoming prospective parents. They are interested in this debate, because the hon. Lady has expressed a lot of the frustration that many of them feel when they have to go through the process of adoption.

In the research papers that we received before this debate, one figure given to us was that last year, only 60 out of 3,600 children under the age of one who are in care were adopted, and in addition the average time that the process of adoption took was two and a half years. We all know that when a child reaches the age of four, the possibility of their being adopted is very slim indeed. They may go into foster care, but it is certainly very difficult for them to be adopted.

The research papers state that one in four adopted children were forced to wait more than a year before they moved in with their new parents. I have to say that my experience as someone who has adopted—I will go into that experience more in a moment—is in relation to the prospective parents: those couples who believe that they can offer a good home to children and who have tried for many years to have a family in a natural process but have never been able to do so. They are frustrated with the legislation on adoption. We have heard about the form-filling. In the words of people who have come to me, they are frustrated with "the intrusiveness" of having to sit down with social workers. The hon. Lady mentioned the good work of social services, and I accept that point, as being a social worker is a very difficult job. However, for older prospective parents aged between 30 and 35, having to sit down and talk to a young social worker who has very little experience of life and rearing a family—their experience all comes from a textbook—and tell them why they cannot have a family is very difficult. The prospective parents have to tell the social worker all their personal details and the process is very frustrating from their point of view.

There is a balance to be struck in all of this. I understand—and I am sure that all right hon. and hon. Members realise this—that some of the things that have happened to children over the years, and even in recent months, for example, baby P, children being starved to death and all those sorts of things, are horrific. In my opinion, anyone who does that sort of thing to a child is not fit to live in society.

Caroline Dinenage (Gosport) (Con): The hon. Gentleman has raised the issues that people who want to adopt, or even foster, children are faced with. There is a myth that if someone is a smoker, or unmarried or even overweight, they will not be considered a suitable adoptive parent. Of course, many parents throughout the country face all those issues and it does not make them any better or any worse parents. We must also address the issue that people are expected to be paragons of virtue in everything that they do before they are regarded as perfect adoptive parents.

David Simpson: I agree wholeheartedly with the hon. Lady. Certainly, if being overweight had been an issue, I would not have fitted the bill. Later on this afternoon, my hon. Friend the Member for East Londonderry (Mr Campbell) will introduce a Westminster Hall debate on the Government policy on obesity, and he has dared me to attend. *[Laughter.]* I will go to it.

The hon. Member for Gosport (Caroline Dinenage) is right. No one is perfect and it is very hard to get a role model of a parent. We all have frustrations. Even if people have children through the natural process, they experience frustrations because they do not know how those children are going to turn out, which is difficult. The hon. Member for Devizes (Claire Perry) raised the issue of the age of prospective parents and I think that she said she is 47. May I say that she looks very well for 47? If I was a social worker, I would take her for 27, but we will not go down that road.

Returning to the serious point, it is nonsense for social services to restrict the number of prospective parents just because someone is over 40, or 45. That is absolutely scandalous. One of the prospective parents who had come to see me and who had been told that they could not adopt, was told that one reason was they were over 45, so when the child reached their teenage years the prospective father could not play football with them. That is absolute nonsense—the whole thing is crazy.

We must try to get a balance in all of this. In Northern Ireland 25 years ago, what my wife and I did was very new. We went to an agency, we went through missionaries, and we adopted our first child from India. That was 25 years ago this December. I think that we were the second set of parents in Northern Ireland to adopt a child from a foreign country. The reason was simple; it was because the waiting list to adopt a child in Northern Ireland was horrendous. It was unbelievable. We felt that we could give a child a home, and as we could not have that child from the British system, we were forced to go down another avenue.

[David Simpson]

We did that 25 years ago. We have had no problems whatsoever from a cultural or ethnic viewpoint, and we have experienced no racism in any way. My daughter is now 25 and she runs her own business. Then we adopted twins from Paraguay. At that time, the dictator in Paraguay made it very clear that he would prefer it if children died on the streets of Paraguay than be adopted by a western society. He did not have his way and we adopted the twins. Someone asked us after we did that if we were trying to start our own United Nations, but we decided to stop at just the three children because we knew that the United Nations was nothing to be proud of. We did not go down that road.

Our twins are now 22, and again that adoption has worked well; there are absolutely no issues. However, the point that I am making is that because of the system we were forced to go in that direction. The system needs to be looked at. Two and a half years is much too long for any prospective parent to wait for a child. We need to deal with that, and we must address the ageism involved in beliefs about the age a prospective parent should be.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I congratulate my hon. Friend the Member for Erewash (Jessica Lee) on securing this excellent debate. Does the hon. Gentleman agree that families who put themselves forward for adoption often have had fertility problems? Not only are they waiting throughout the lengthy bureaucratic process of adoption, but they might have been trying for children and have had a desire to contribute, by bringing up a family, for a long time—perhaps up to five or six years.

David Simpson: That is 100% right. The hon. Gentleman raises a very important issue, and we need to get to grips with the situation. On many such issues, the policy of the present Government and of previous Governments for many years—I am not pointing the figure at any one in particular—has been, "We'll put a sticking-plaster over it and that will last for another while. Then we'll perhaps bring out a wee bit of legislation or else we'll go out for consultation." The period involved is frustrating for potential adoptive parents. Last year in the United Kingdom, only 60 out of 3,600 children under the age of one in care were placed with families. That scandal must be dealt with, and I trust that the Minister will take note. Many families who are willing to give children a loving home are not given the opportunity to do so.

10.12 am

Esther McVey (Wirral West) (Con): I congratulate my hon. Friend the Member for Erewash (Jessica Lee) on securing this debate. We have had an overview of the situation from her, and a personal story from my hon. colleague the Member for Upper Bann (David Simpson). I want to look at two issues raised by constituents of mine, one about the choice and selection of adoption agencies, the other about awareness in the education system of the needs and sensitivities of adopted children.

Statistics show that the number of children being adopted has fallen, with decreases of 5% from 2010, 20% from 2005, and 8.4% from 2009. I will look at that significant 2009 figure a little later. We must, however, look at the reality of the situation. We are talking about a child's journey, about the most formative years in their life when they are at their most vulnerable and learn the most, not from the spoken word but from the things that shape their characteristics and personality traits for the rest of their life—how they are accepted and rejected, how they form a loving bond with their parents or new adoptive parents, and how that has a significant impact on their future relationships. That is key. Some 33% of children who leave care are not in education, employment or training, compared with a national average of 18%, so there are huge implications and ramifications later in life.

James Morris (Halesowen and Rowley Regis) (Con): My hon. Friend makes an important point. Part of this debate is about policy that has social benefits down the line. There are clearly issues about parents being able to adopt as quickly as possible, but the critical point is that this is part of an early intervention policy and we need to get it right because it has benefits for society.

Esther McVey: I completely agree. There are benefits to society, but also huge benefits to the child who progresses into adulthood.

My constituents came to see me about the significant changes to adoption agencies under Labour's 2010 equality laws, which state that the prohibition of discrimination on the grounds of sexual orientation is a fundamental principle of human rights laws and that such discrimination can be permitted only in the most compelling circumstances. I completely agree. That is the law; that is the way forward. The consequence, however, has been the closing of Catholic adoption agencies across the country. We have a huge problem, because those adoption agencies were the best at finding parents for older children—the most difficult to place with adoptive parents—and were the most successful in ensuring that those children remained in families.

People said to me, "You put the Catholic Church in a situation in which Parliament's laws conflicted with the Church laws," which they considered a higher law. They said, "When does tolerance become intolerance? Why were we tolerant of other people but not of the Catholic Church? When did equality for the Catholic Church become inequality?" We have seen that inequality, as all of a sudden the help that the agencies provided stopped because they were no longer given funding. Agencies that can trace their origins back to orphanages set up in Leeds in 1863 ended up closing down. Of course, we have to live within the law—of course, we must have the correct outcome—but surely that does not mean that we cannot have choice in how adoption agencies go about their work and in how they meet the needs of parents who come to them.

I looked slightly closer at the falling numbers of children being adopted. At the moment, there are 177 adoption agencies, 150 in local authorities and 27 voluntary ones, but if we go back, there were 11 more—Catholic ones that closed. That was a 5.83% decrease in the total number of agencies, but a 30% drop in the number of voluntary ones. How do we replace those valuable agencies? How do we find a selection—a choice—for people wanting to come forward, and how do we find those people? Some people come forward via the Church. This is a fundamental need for them, and they feel they are helping the Church, local communities and children. We must look very carefully at how we reach out to people who want to adopt, but for the past couple of years feel that they have been overlooked. There must be equality for everyone, but we need choice, which will ultimately provide equality for everyone and for the children who so desperately need to be adopted.

Caroline Dinenage: I want to reinforce my hon. Friend's point. In my constituency of Gosport and in the wider Hampshire area, only 35 children were adopted last year. The older children are, the harder they are to place, and looked-after children have half the success rate of other kids in English and maths. We therefore need to explore every possible avenue to enable older children to be adopted, and the Catholic agencies were very successful at placing them and other harder-to-help children.

Esther McVey: Absolutely. The key point is, "When does tolerance become intolerance?" The Catholics who came to see me thought that that had happened. They believed that providing choice could bring about equality, but that what we had stopped was choice.

My second point, which a constituent of mine, Paula Davies, raised with me, is about the lack of awareness in the education system. She had adopted a daughter, and thought that she had unique needs arising from the adoption, which had happened later in life. She was concerned that the schools did not seem to be fully aware of the requirements of children from such backgrounds. She did not want something specific for her child; she did not want anybody taking her aside or teaching her differently. She was not looking for something different or extreme. However, she told me that two county councils, Hertfordshire and Somerset, have documents for staff who work with looked-after or adopted children in schools, and she wondered why every county council could not have those documents to hand for teachers to read, so that they could be aware of such children's unique sensitivities and awareness.

Children adopted later in life are particularly vulnerable to rejection. They might take being told off or made to sit over there in a slightly different way, having been rejected early or later in life. It would be a simple change. The documents already exist, so I am not asking for anything with a cost implication. We are asking that they be made available to other councils, and therefore to teachers across the country.

Richard Graham: My hon. Friend makes a powerful point about education for adopted children. Does she agree that local authorities treat adopted children differently from children in care, in terms of the support that they get and the schools that they go to? Does she agree with the proposal to change that and enable adopted children to receive the same support as children in care?

Esther McVey: I thank my hon. Friend for raising that point. I was not aware that there were differences, but if so, of course they need to be addressed. Particularly for children adopted later in life, it is painfully apparent that they might need the same support as children in care. I will conclude on that point, but I would like replies from the Minister on my points about choice, equality and awareness of the need to help children in school.

Mr Timpson *rose—*

Jim Shannon *rose—*

Philip Davies (in the Chair): Two colleagues are seeking to catch my eye. Just to let them know, I intend to call the Front-Bench speakers at 10.40 am, so they can divide the time between them.

10.22 am

Jim Shannon (Strangford) (DUP): I want to make a few points to give the Northern Ireland perspective. I commend the hon. Member for Erewash (Jessica Lee)—I am sure that my pronunciation is totally wrong, but that is by the way. I hesitated to mention her constituency, because I was not sure it would come out right. I also congratulate my hon. Friend the Member for Upper Bann (David Simpson) on his heartfelt contribution. He has walked that road and knows it well.

I am a great believer, as I have said in other debates, in the importance of family life. Family is the core of society, and we build society around the family. I am fortunate enough to have come from a good family environment, from my point of view. I have three boys and am a grandfather to boot. I see the importance of family life in giving children stability and ensuring that they do well in life.

In my position as an MP, I have had the opportunity to meet many constituents who adopt and foster, and who give love and meaning to those who need help. Many wish to adopt, and I will make a couple of points relating to them. Some of those points have been mentioned, but I want to put on record the situation in Northern Ireland and the importance of family life to those who find themselves on their own.

I have seen many products of adoption and the good work done by foster parents. I know a family in my constituency who have adopted or fostered numerous children over a period of years. I remember one young boy; I mind well when he was adopted, and I have watched him grow all the way through the process. He started as a vulnerable young boy, and found parents who gave him an opportunity in life. Now he is a young man. I have watched his progress from a child seeking adoption to his present employment. He is stable, kind, well-mannered and a credit to both his parents and his foster parents.

Northern Ireland had 2,660 children in the care of the authorities in March last year, to give some statistics. Their needs included short-term care as well as long-term adoption and fostering. The breakdown is that 50% were boys, 17% were between the ages of one and four, 30% were between five and 11, 31% were between 12 and 15 and 19% were 16-plus. They all have their own unique needs.

Fostering and adoption are absolutely important, but in Northern Ireland, only 61 of those 2,660 young people found adoptive parents that year. That is a minuscule drop in the ocean. I have spoken to fostering authorities and organisations in Northern Ireland, and they have indicated some of the problems with the

[Jim Shannon]

process. A better way is needed through the paperwork and bureaucracy that we have all mentioned and know about. I made a comment earlier about people going overseas to adopt children. It is not that children from across the water should not have the opportunity for adoption. It is not only celebrities who adopt them but people such as my hon. Friend the Member for Upper Bann, who wanted to give children a home, as do many people I know, who have looked at photographs in the paper and read stories on TV and in magazines about multi-millionaires who go overseas to adopt children. Such people give young people stability and opportunity.

The process worries me, because it takes so long. One key factor that other Members have mentioned is that the process can take anything from two to two and a half years. For those who are starting the process and are anxious to enable quick fostering or adoption, we must do something about that.

Claire Perry: I wonder what the hon. Gentleman would say about a case in my constituency involving an officer returning from Afghanistan. He and his wife had been trying for five years to have a child and decided to adopt. He was a smoker and was told that he had to give up, that he could not then restart the process for a year and that it would take another two years, by which time he is likely to be on deployment again. Surely we should do better and make the system more streamlined.

Jim Shannon: I thank the hon. Lady for that example. We are all frustrated by the process, which does not deliver when needed but adds anomalies, in this case in relation to smoking.

David Simpson: On that point, when we were going through the process, we were told that it would take a year or a year and a half to do the home study and so on, but if we were willing to pay for it, social services could do it in four months. That is exactly what we did. People who cannot afford that have to wait a year and a half or more, but those in a position to pay for a home study through social services can do it in four months, a bit like the health service. It is not right.

Jim Shannon: I thank my hon. Friend for his comments. There is something seriously wrong with a process where those who can pay get it and those who cannot pay have to wait.

Mr Andrew Smith: On that point, does the hon. Gentleman share the ambition that Martin Narey set out regarding the scale of change needed when he suggested that the number of adoptions ought to double and the time taken to complete them ought to halve? Is that not the scale of change that we must press for?

Jim Shannon: I welcome those constructive comments. I would say that the number should more than double. If only 61 people in Northern Ireland were adopted in a year when 2,660 were awaiting adoption—I am mindful that those figures are for both short-term and long-term care—I would like that figure to more than double. However, I accept that point.

Mr Smith: I mention that ambition because that is what Martin Narey said. He set it in context by saying that even people who are pro-adoption—incredibly, he comes across people who are anti-adoption—have a feeling that that is too ambitious and undeliverable, but like the hon. Gentleman, I think that we ought to be capable of doing better than that.

Jim Shannon: I think that we all agree that we have to set targets that meet the need. I thank the right hon. Gentleman for his comments.

Richard Graham: I am grateful to the hon. Gentleman for giving way; he represents Strangford, my old hunting ground. On the difficulties for those who wish to adopt or who have adopted, does he agree with my constituents, Mr and Mrs James, who told me the other day that, as people who have adopted children, had they known what they would have to go through, they probably would not have done so? Moreover, Mr and Mrs Nash told me that they did not know about the difficulties that they would have in relation to education or about the hidden trauma of the children whom they adopted—it was waiting to come out, but they did not get the same support as children in care. Does the hon. Gentleman agree with them that, if we could overcome those difficulties, we would be able to raise the rates of those who are adopted—in Gloucestershire, only 27 out of 500 children in care are adopted—and that the problem would be much less grave?

Jim Shannon: I thank the hon. Gentleman for that contribution. I wholeheartedly agree with him and think that every other Member present does, too.

I am conscious of the time, so I will come to a conclusion. I welcome the fact that the Prime Minister has indicated that he is keen and anxious for a time scale of six months. If that is to happen, we will need more than a verbal commitment. I want action. It would be good to see that happen.

Finally, I am concerned that, in some, not all, cases, it is as though Christian families are interrogated about their ethics and morality, their homes, and their desire to adopt. In some cases, Christians, Christian families and Christian parents are being penalised because of their beliefs, but we cannot pass by what they have to offer. Those potential parents wish to adopt and we have a list of young children who seek adoptive parents. The answer is simple—let us put the two together and do it right.

10.32 am

Mr Edward Timpson (Crewe and Nantwich) (Con): It is an unmitigated delight to serve under your chairmanship, Mr Davies. I congratulate my hon. Friend the Member for Erewash (Jessica Lee) on her deeply knowledgeable and constructive speech, which set out all the issues with which we need to grapple in order to improve our adoption system. It is worth setting down a marker from the outset that adoption is only one route to permanency for children who need to find another home, and that many foster carers and family members take on a caring role. Although adoption is a route to permanency that many more children could be the beneficiaries of, we have to recognise that it is not always the right option for every child.

I declare an interest. Like my hon. Friend, I am a family law barrister, although I do not practise at present. I also have two adoptive brothers—Oliver, who is now 35, and Henry, who has just turned 24, I think. They are an integral part of our family and one thing about which I can be absolutely confident is that they have enriched our family's lives. I hope that we have provided them with the stable and loving environment that they so desperately needed.

It is worth acknowledging that successive Governments, including the previous one, did their best to try to help vulnerable children who were in need of a stable home. That included trying to work in ways that would help adoption become a more successful route. We could talk about whether targets are a good or a bad idea, but I think that the motivation behind them was absolutely right. It was to try to give the opportunity to more families to offer a home to children through the adoption route. Ultimately, this is about finding the right home for a child, rather than the right child for a home. I believe that the current Government's work to achieve that end is moving the system in the right direction, but be under no illusions—there is no quick fix and it will take a whole cultural shift over a long period.

Caroline Nokes (Romsey and Southampton North) (Con): My hon. Friend is making a valid point. Although we recognise that there will be no quick fix to the problem, one of my concerns is that, in the meantime, we as Members of Parliament must do our level best to make sure that those looked-after children and those going through the process are given the best possible voice and opportunity. Foster carers in my constituency have told me that they want looked-after children to have a voice and to be heard by us in this place, so that we can understand the issues that they face.

Mr Timpson: I am grateful to my hon. Friend for that intervention, which gives me the opportunity to remind her of the groups that I chair—the all-party group on adoption and fostering and the all-party group on looked after children and care leavers. Every time we meet, we manage to bring to Parliament about 150 people who are in care or have left care, so that their voice can be heard here. We are trying to begin a scheme whereby MPs will be matched with a care leaver in their constituencies. I encourage all Members present to engage with that and to ask their local authority if they can sit on an adoption panel, so that they can learn exactly how the decision-making process works.

In this debate, we have elaborated on the myth-busting that needs to take place in relation to the issue of who can adopt. The hon. Member for Upper Bann (David Simpson) has mentioned his experiences in Paraguay, which leave a lot to be desired. I remember visiting some Romanian orphanages in 1990 with my parents, who were so distressed by what they saw that they inquired about adopting a Romanian child. My hon. Friend the Member for Devizes (Claire Perry), who has left the Chamber for now, has told us that she was turned down for being 47. My parents were turned down in Romania for being over 35, which shows that some other countries have even more stringent conditions for adoption.

We need to bust myths. If someone has a body mass index that they are not proud of, it does not mean that they cannot adopt. If you like a flutter on the horses, Mr Davies, it does not mean that you cannot adopt. A lot of myths need to be shaken out of the adopted system. The Government's important measures in relation to new adoption guidelines, particularly those centring on black and minority ethnic children, are an important step in that direction.

It has been suggested that the way to try to improve the number of people who put themselves forward to adopt and to ensure that more children are adopted is to go back to the targets system. I have already touched on that and do not believe that it is the right way. We need to do something similar to what has been done in Cheshire East council, in my constituency, which has a local but direct campaign called "Fostering and Adoption in Cheshire East". FACE brings together people from all sorts of different backgrounds—married, single, gay, pensioners—who adopted successfully, to try to ensure that people realise that they do not necessarily need to count themselves out and that they are very much welcome. We also need to make sure that those local authorities that get more inquiries, as has been the case in Cheshire East, have the capacity to deal with those cases and provide those people with the services that they need. We do not want to end up in a situation in which people make the emotional decision to present themselves as potential adopters, only to be told, "Don't call us, we'll call you."

I would have liked to have covered many other issues, many of which have been addressed by my hon. Friend the Member for Erewash, but what I will say is that it is outcomes for children that matter. If all children are going to be placed in an adoptive placement, it is important that the outcomes are successful. We need to look carefully at organisations such as Coram, which has a 100% success rate in finding adoptive parents for children with adoption plans. It has almost negligible breakdown rates, and post-adoption support plays a vital role in that. Adoption UK and After Adoption are just two of the voluntary adoption agencies that offer specific courses for adopters. I have spoken to adopters who have benefited from those courses, which are valuable in ensuring that adopters understand the issues they face, and that the children they look after get the support they need post-adoption. Just because a child is adopted does not mean that the problems disappear. My brother Oliver is 35. He still has difficulties that all relate to his early life trauma. I am pleased to say that he has just completed his first year in employment without changing jobs. That has been a huge breakthrough for him. For our family, it is a measure of the success from where he started.

10.40 am

Catherine McKinnell (Newcastle upon Tyne North) (Lab): It is a pleasure to serve under your chairmanship, Mr Davies. I sincerely pay tribute to the hon. Member for Erewash (Jessica Lee) for securing this important and well-attended debate. Her work in this area, both in Parliament and as a family law barrister before her election, is highly regarded, and she gave an excellent speech that acknowledged the complexity of the issue. The debate has been extremely interesting, with excellent contributions from all hon. Members.

The debate is timely. As mentioned, last week was national adoption week. It has been running since 1997 and provides us all with a reminder of the need to raise

[Catherine McKinnell]

awareness of adoption, the importance of encouraging adoptive parents to come forward, and the need to highlight the importance of adoption for those children who, for whatever reason, cannot remain with their birth parents. Ministers used last week to make a number of important announcements on this issue. I add my support, in particular, to the announcement that adopted children will be given the same priority in school admissions as looked-after children, which builds on the work of the previous Labour Government.

I welcome the new adopters' charter, which sets out clear principles on how adopters should be treated, and I welcome the fact that the Prime Minister is giving his backing to the Give a Child a Home campaign, which was launched by the British Association of Adoption and Fostering and the Fostering Network. As the hon. Member for Crewe and Nantwich (Mr Timpson) set out so well, it is as important to focus on fostering and the people who give up their time to foster children as it is to focus on those who adopt.

The most high-profile announcement last week was on performance tables, which the Department for Education will use to assess local authorities. The aim is to act

> "as a challenge to local authorities to do better for the children in their care."

I agree that all local authorities, and society at large, could and should do better in terms of support for looked-after children. We all know that outcomes for looked-after children are unacceptably poor. We all accept that the fall in the number of adoptions is a concern, and we certainly all acknowledge that an average waiting time of two years and seven months for a child to be adopted is simply far too long. However, I am concerned that naming and shaming local authorities seriously risks painting too simplistic a picture of an incredibly complex issue. Have Ministers considered what impact the threat of tough action against those local authorities will have on the morale, recruitment and retention of already overstretched social workers?

The Government's performance tables risk failing to present a true picture of a local authority's performance. Hackney borough council came bottom of the new league table, placing only 43% of children with adoptive parents within 12 months of a decision to do so. However, as Hackney borough council stated:

> "Placing a child quickly should not be the only consideration upon which authorities are judged. A placement breaking down is one of the most traumatic things that can happen to an adopted child. In Hackney, we have one of the best records of stability of placements; such is the quality of our placements, hardly any, if any, ever break down."

There is also the risk of creating perverse incentives for local authorities to push for rushed adoptions—in place of special guardianship arrangements, or concurrent planning that might be more appropriate in the circumstances—to meet what risk being arbitrary targets. As the hon. Member for Crewe and Nantwich mentioned, we need to listen to Coram, one of the country's leading voluntary adoption agencies. It stated that the Department for Education's performance indicators

> "don't tell the full story of the experience of children in care…For example, they do not reveal how delays owing to court processes may affect the speed of adoption or how a child who appears to have been 'waiting for adoption' may have in fact been consistently fostered by the same parents who go on to adopt them."

As well as looking at how we increase the number of adoptions for siblings, black and minority ethnic children, children with disabilities and older children, surely the most important thing we must aim for is to increase the number of successful adoption placements, or talk in terms of permanent arrangements, rather than a simple increase in the number of adoptions. That point was also made by my hon. Friend the Member for Stockport (Ann Coffey). Perhaps the most crucial part of the jigsaw in increasing the number of successful adoptions is improving the level of post-adoption support available to adoptive families and their children. Despite the legal requirements in the Adoption and Children Act 2002 to provide long-term support to families after adoption, we are all aware, from anecdotal evidence and constituents' experiences, that such support is currently not at the level it should be.

Indeed, Adoption UK reports that despite the fact that

> "Great strides have been taken in acknowledging the need for adoption support services for families, and delivering some practical support…far too many families still come to Adoption UK, desperate for support."

I recently received a heartbreaking letter from an adoptive mother of 20 years, who put the issue very succinctly:

> "Given the number of adoptions that break down as well as the number of relationships which collapse under the pressure of attempting to deal alone with challenging behaviours, not enough consideration is being given to the consequences of not supporting adoptive families properly."

She went on:

> "I now know that providing a loving family for children who have had multiple carers and suffered abuse will never be enough. The children and indeed their adoptive families will need access to proper psychological/therapeutic support as well as respite and proper pathway planning during turbulent teenage years".

The hon. Member for Erewash acknowledged this issue and that it deserves consideration and reflection. However, it is a crucial part of the jigsaw if we are to bring about an increase in the number of successful adoptions, which we all want to see.

The hon. Member for Crewe and Nantwich referred to the issue of care leavers. Last week was not only national adoption week, but national care leavers' week. I had the privilege of attending the recent special meeting held by the all-party parliamentary group for looked after children and care leavers. I heard from several young people about the incredibly positive role that being in care had played in their lives, and their disappointment in the way that residential care, and being in care, is so often dismissed. I therefore wanted to put on record my serious concerns about some of the language used by Ministers in the media last week, who referred to children "languishing" in care. That language is not helpful for these young people, or in encouraging foster carers and adoptive parents to come forward.

Implicit in the Government's decision to publish performance data is the view that adoption represents the gold standard for all councils to aim for. However, as was eloquently put by the hon. Member for Crewe and Nantwich, it should not be viewed as a one-size-fits-all solution. Adoption is not the right option for every child. Indeed, that approach has been criticised by the Fostering Network, which believes that focusing overwhelmingly on adoption risks skewing decision making, oversimplifying enormously complex and difficult decisions and ignoring the needs of the vast majority of children who come into care, who neither need nor want to be adopted.

In conclusion, the Government are absolutely right to focus on looked-after children and adoption. I look forward to hearing more about how the work of Martin Narey, the ministerial adviser, will be taken forward in the next two years. However, the Government must also recognise that adoption is not a panacea for looked-after children, or society at large. While being the most incredibly rewarding and enjoyable experience, raising a family can also be one of the most challenging and difficult experiences for people in the best of circumstances. Adoptive parents are not super-human. They, and their adopted children, need ongoing support if we are to increase the number of successful placements.

There is no doubt that the adoption process can and should be sped up, but that must not be done at the expense of ensuring the right path for the child. After all, to completely cut a child's legal ties with their birth parents and family—choosing a family that can adopt them, making decisions about whether they will be able to live with any brothers and sisters and then moving them to live with a whole new family—is an enormous decision, which must be taken with great care.

I am sure that Ministers recognise that adoption is not the right answer for every child. I want to pay tribute in particular to the comments of the hon. Member for Crewe and Nantwich. I am sure that he shares many of my concerns—that we do not focus solely on adoption but on a child-centred approach that ensures results and the best long-term outcomes for all children, whatever their circumstances of care.

10.50 am

The Minister of State, Department for Education (Sarah Teather): It is a great pleasure to serve under your chairmanship, Mr Davies. I am not sure that I can exceed the florid language of the hon. Member for Crewe and Nantwich (Mr Timpson). I congratulate the hon. Member for Erewash (Jessica Lee) on securing the debate hard on the heels of national adoption week.

The more observant Members in the Chamber have realised that I am not the Under-Secretary of State for Education, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), who is incredibly disappointed that he cannot be present at the debate today—so disappointed that we spoke twice on the phone yesterday. He apologised personally to the hon. Member for Erewash, but he was in Birmingham yesterday and Sheffield today, speaking at child protection conferences among many other things. I will not say that he would rather be here, because that would cause terrible offence to people in Sheffield, but he was desperate to be present.

The debate has been fantastic—knowledgeable, passionate and informed by personal stories of adoption, whether as barristers or as families, whether as a brother or as adoptive parents. Hard on the heels of national adoption week, it is helpful to be able to do some of the myth-busting of which the hon. Member for Crewe and Nantwich spoke. It is helpful to air some of the myths, then systematically knock some down. We want to be open to many more people as adoptive parents and to be robust in challenging some of the things that have grown up and which prevent people who have an enormous amount to give from coming forward.

The hon. Member for Erewash is a member of the Under-Secretary's ministerial advisory group on adoption, so she is aware of his particular interest and passion. He is very determined to ensure that more children who have been overlooked are considered appropriately for adoption, in particular older and disabled children, and to speed up the adoption process as much as possible, so that they can be adopted at a younger age.

Over the past year, a great deal of activity has been going on. The Under-Secretary has been leading a wide programme of reform. The Government have issued revised guidance and national minimum standards, and an adoption and special guardianship data pack is available for local authorities to use to challenge the operation and performance of their adoption service. The Under-Secretary appointed Martin Narey as the ministerial adviser on adoption, and approved funding for Barnardo's in partnership with the Coram Foundation, to engage with 24 local authorities and help them to improve adoption outcomes for children and the adoption services. The Government have approved funding for the British Association for Adoption and Fostering, to raise awareness of and to promote adoption, and for a one-year pilot project with a number of local authorities to gain a better understanding of how the adoption register is used to find families for children in need of adoption, and how matching decisions are made, which picks up on a point made by the hon. Member for Erewash. Findings from the project will inform the work of the register in helping local authorities to increase their matching rates.

As a number of hon. Members stated, disappointingly, adoption figures have fallen this year. I recognise the point made by the hon. Member for Newcastle upon Tyne North (Catherine McKinnell), as well as by the hon. Members for Crewe and Nantwich and for Erewash, that adoption is not the only process. Special guardianship and permanent residency orders might well be more appropriate for some children in some situations. However, today's debate is specifically about adoption, so what I want to say from here on in is specifically about adoption.

As the Prime Minister made clear last week, for too long, many children have been let down by the whole system, which was a point well made by the hon. Member for Erewash in her opening remarks. One person at fault is not what leaves so many children who should be adopted not getting that opportunity. The system has many different barriers at the moment, such as local authorities or the family justice system. The Under-Secretary has a chart on his wall, on which he can see the particular blocks in the system that cause the delays—a visible image that he looks at every day, to remind himself of the barriers and of where the Government is pushing to make the whole system more efficient.

The hon. Member for Newcastle upon Tyne North mentioned performance tables, which we released last week. I absolutely recognise her point, that we need to get under the skin of what some of those data mean. In some cases, local authorities might appear to have a slower rate, but they may be extremely good at placing older children, for example. However, that is part of encouraging local authorities to look at their practice

[Sarah Teather]

and perhaps that of their next-door authorities. The lack of such a process, in particular with children in care and adoption, is a continual frustration to Ministers and I have heard the Under-Secretary speak about it. Often, one local authority appears to be completely oblivious of the good practice in a neighbouring authority that is fantastic in some areas. By putting the information out there, we hope that local authorities will speak to one another more and question their own work and that of their neighbours, and so understand how they might improve their practice.

Mr Andrew Smith: If the underperforming authority does not improve, would the Minister go so far as to support the authority with good performance taking over the responsibilities of the underperforming authority?

Sarah Teather: Local authorities have been working with the Government to improve their performance, with more peer-led performance improvement across the piece, particularly in this area. We are encouraging much more peer mentoring and working together to challenge performance on the ground. I will ensure that the right hon. Gentleman's suggestion is brought to the attention of the Under-Secretary when considering what action we might take.

Last week, we published an adopters' charter, to ensure that anyone who really wants to adopt a child is welcomed with open arms and can receive all the help and support that they need. That picks up on what many hon. Members have said. We want adopters to feel valued and respected for offering a chance to transform a child's life. Many of the issues raised earlier, such as age, smoking or obesity, are not written into statutory guidance or legislation. Some things build up on the ground, unfortunately, as an expected way in which people will be rejected, but those are not things that the Government are facing or that local authorities ought automatically to use to rule some people out as parents. The child's needs must always be paramount. I hope that things such as the adopters' charter will help to deal with all those issues that potential families might face, to ensure that they are given the necessary support.

The hon. Member for Stockport (Ann Coffey) asked whether we are doing any research on support for adopted—

Esther McVey: Will the Minister give way?

Sarah Teather: I will, but I only have two minutes left.

Esther McVey: I have two specific questions, one about the loss of 28% of voluntary adoption agencies because of the 2009 Labour legislation, and what we as a Government will do to fill that huge gap. The other is about support in the education system for children who are adopted.

Sarah Teather: On the first point, as I only have one minute left, a number of the agencies that closed reopened under new structures and new names. I will ensure that I or my colleague write to the hon. Lady with more information. On schools, that is exactly why we have commissioned research through Bristol university to look at support for adoptive families. Another specific issue raised was ensuring that the school admissions code, for example, takes such matters into account. How children are considered throughout their school life is something that the Under-Secretary keeps very much in mind. We are considering how we can support young people who might be vulnerable, as the hon. Member for Crewe and Nantwich said, for the rest of their life but certainly during their school life.

I have only one minute left, unfortunately, and so many issues were raised—in fact, it is now 11 o'clock. I thank hon. Members for their many contributions.

Organ Donation

11 am

Paul Uppal (Wolverhampton South West) (Con): It is an honour to serve under your stewardship, Mr Davies. We have half an hour in which to debate this issue, and I will try to be brief, because a number of hon. Members have told me that they may wish to intervene, and my hon. Friend the Member for Montgomeryshire (Glyn Davies) has said that he would like to speak in the debate. I have always found his contributions, whether here or in the House, valuable and I am sure that he will only enhance the debate, and give his personal perspective and the view from Wales.

Organ donation sounds far removed from most people's lives. They have never considered it, or believe that it is something to consider later in life or when they are in need. We all know people who are waiting for donations and people who have received them. Perhaps the thought makes us uncomfortable, because it forces us to confront the reality of life and death, but we must not ignore the fact that more than 7,500 people are on a waiting list for a donor organ. Whatever the reasons and whatever the causes, profound changes in medicine have provided the ability to save people from illnesses with donated organs, but we are still grappling with a shortage of donors.

Although there are people on waiting lists, things are getting better. Since 2007-08, there has been a 26% increase in the number of people who have agreed to be organ donors after their death, and today there are 18 million donors on the NHS organ donor register, but we must hope for more. With many groups that work tirelessly to ensure that one day the waiting list will be short, I want to raise awareness throughout the country, and to change people's perception so that being a registered donor will become the cultural norm.

I am here today because I do not believe that those improvements have gone far enough. I am worried that the target to increase the number of people who become organ donors after their death by 50% in 2012-13 will not be met unless the Government take urgent action. I am particularly worried that not enough progress has been made to increase organ donation in black and minority ethnic communities. People of black and minority ethnic origin are three to four times more likely to need an organ transplant, but are significantly under-represented on the NHS organ donor register. When asked, 75% of families of potential donors from BME communities refused to give consent for their loved one to become an organ donor. That must not continue. As a member of the BME community, as well as representing a seat with a large BME population, I know that we must continue to work hard to maintain a dialogue within those communities, and start to break down some of the stigma that organ donation may hold.

Mr Marcus Jones (Nuneaton) (Con): I congratulate my hon. Friend on securing this extremely important debate. My constituency has a BME community that is centred around one ward—Abbey—where life expectancy is 17 years lower than other parts of Warwickshire. I am sure that my constituents in that ward will be heartened to hear my hon. Friend's comments, but does he agree that we need to raise the profile of these important issues, particularly organ donation and transplantation, as well as diabetes and so on, in those communities to try to deal with those health inequalities?

Paul Uppal: My hon. Friend makes a valuable point. I know how hard he works with the BME community in his constituency, and he is a champion of such issues. I have been heartened by most of my colleagues, who have shown a wide and passionate interest in specific concerns involving the BME community. He is right to highlight the issue.

Guy Opperman (Hexham) (Con): I congratulate my hon. Friend on securing this debate. It is great that he is standing up for such an important issue, and for the BME community. The issue affects all hon. Members, whether their constituencies are urban, or rural like mine. I declare an interest in that I once thought I needed a kidney donation because I tore my left kidney in half at Stratford when I was a jockey. That was due to poor jockeyship, and a good doctor saved me. My question is simple. Does my hon. Friend believe that GPs could play a greater role in the community in stimulating more organ donation?

Paul Uppal: My hon. Friend makes an important point. This is a difficult issue, and the nub of the problem is that clinicians and individuals in our communities often find it difficult to talk about the matter and to face reality. I see no reason why it would be harmful if GPs spoke openly and candidly about it to people who attend their surgeries. They could highlight the matter, and spread the broader message among the broader populace about how vital the need is.

Mike Weatherley (Hove) (Con): I congratulate my hon. Friend on securing this debate. Does he recognise the work of those calling for an opt-out system of organ donation, which includes national campaigns such as the British Heart Foundation, as well as local campaigners, including Valerie Paynter, who underwent a kidney transplant 20 years ago, which saved her life? Her story is very moving. Will my hon. Friend encourage hon. Members to sign my recently tabled early-day motion, although I appreciate that he does not sign them?

Paul Uppal: My hon. Friend is correct: I do not sign early-day motions. On the opt-out, we have made some progress, and we should continue on that route, but increase the pace. I have seen some of the research from various task forces. Some work in 2008 suggested that there was no substantive evidence that going down that route would increase organ donation. That is probably a matter for debate another time, but my personal opinion is that we must deal with it sequentially. Let us get to 2013, then see where we are.

Paul Flynn (Newport West) (Lab): If anyone is in any doubt about the desperate suffering at the moment, they should look at the evidence from my constituent, Matthew Lammas, and his family, who came to the House and talked about their six months of agony while he waited for an organ to become available. There were calls in the middle of the night, and drives of sometimes hundreds of miles with disappointment after disappointment. He came near to death, but finally and

[Paul Flynn]

happily, he was given the heart that he needed, and he is surviving. Anyone who believes that the issue can be pushed aside should read about that family's terrible suffering because of the lack of organs. For those who did not attend the meeting, the story is available on my blog. Unfortunately, another constituent died due to lack of an organ.

Paul Uppal: I thank the hon. Gentleman for his intervention. No one in the Chamber would in any way, shape or form underestimate the suffering of those who need a transplant. I am a trustee of a Sikh temple, and I have been approached specifically about the matter and people's real concern about it. I have felt the pain that many families feel. We may leave the main thrust of the debate today, but I am sure that we will revisit the issue. I accept completely what the hon. Gentleman says, but for the time being we must go along the path of sequential progress.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I congratulate my hon. Friend on securing this debate. He highlighted very well the fact that organ donation in urban areas is much lower than in more rural areas. That is partly due to population churn, but also because, as he rightly highlights, it is difficult to persuade people in black and ethnic minority communities to come forward and agree to organ donation. There are some cultural barriers to organ donation. How can we break down those barriers and focus on what really matters—ensuring that people have a chance of life?

Paul Uppal: I thank my hon. Friend for his intervention. As I said, I am a trustee of a Sikh temple, and I think it is important that we continue to spread that message in mosques, gurdwaras, mundas and temples in any shape or form. It needs to be consensual. It is about breaking down stigmas and prejudices that may be out there in certain communities. I would be very much in favour of anything that does that, and I have personally done that in my own constituency.

Jason McCartney (Colne Valley) (Con): I thank my hon. Friend for his generosity in giving way. Many colleagues are here for this passionate debate, so perhaps next time we should have a full hour and a half for such an important issue.

We have heard the statistics. In my part of the world, Yorkshire and Humber, 581 people are waiting for an organ transplant, and 41 have died while waiting in the period 2010-11. I received a letter yesterday from a young lad aged 11, Matthew Taylor from Salendine Nook high school, which is doing a project on organ donations and the opt-in, opt-out processes. Will my hon. Friend join me in congratulating Salendine high school on engaging with young people and thinking about the processes? We can debate having a soft opt-in or opt-out process, but it is great that schools are engaging young people to think about organ donation.

Paul Uppal: I absolutely agree. My hon. Friend makes a good point. It is important that we raise the issue. That is the function of today's debate. I am sure that the Minister will respond to that as well. I want to allow time for my hon. Friend the Member for Montgomeryshire to make a speech, so I will try to be brief. I will practise the skill of cutting down a speech to a few minutes.

I am concerned that leadership on organ donation and transplantation might be lost and that that will jeopardise the improvements that have been made since 2008. The national clinical director for transplantation, who was overseeing the implementation of the Organ Donation Taskforce recommendations, has now retired and I understand that his post is not due to be replaced. The Organ Donation Taskforce programme delivery board, which supported him in that role, has been disbanded. There is clearly a risk that in the absence of clear leadership, the improvements to date may be lost. Will the Minister tell us who is driving the agenda on organ donation and transplantation in the Department of Health, and whether the Department remains committed to the 50% increase in donors from 2007-08? What additional steps does he plan to take to ensure that that is achieved?

There is also the question of the goalposts being moved slightly further away when we reach 2013. I am sure the Minister is aware that there is no strategy for organ donation and transplantation beyond 2013, by which point all the Organ Donation Taskforce recommendations should be implemented. Will the Department of Health produce a strategy to ensure that the number of organ donors and transplants continue to increase after that date?

Organ donation is a gift, and that fact should be the focus of all policies involving donation, but it would be remiss to ignore those who have given. In previous years, the Government have recognised the incredible gift that organ donors have given by welcoming their families to a reception in Downing street. I would wholeheartedly support a continuation of that tradition. We are having a reception here at the House in December. It will be hosted by the hon. Member for Derby North (Chris Williamson) in his role as chair of the all-party group on organ donation, and we would welcome the Minister's attendance. I am sure he would enjoy meeting the families and thanking them for what they have done for others.

There are big goals in place for 2013. We are all committed to working so that we have more than 20 million people on the official donor register. As people elected to serve our constituents, we can do no more than set a good example in our own communities, so I will take a moment to encourage all MPs to ensure that they are registered organ donors. We would all like to leave a legacy, and there can be no better one than that of saving a life.

11.13 am

Glyn Davies (Montgomeryshire) (Con): It is a pleasure to serve under your chairmanship for the first time, Mr Davies. I particularly want to thank my hon. Friend the Member for Wolverhampton South West (Paul Uppal) for raising an issue that is hugely important to many people. Increasing the number of organs available has become a passion of mine. The comments of the hon. Member for Newport West (Paul Flynn) made an impact on me. We all want to see an increase in the number of organs available for donation. We need to look at the evidence available and decide the best route to go down to achieve the increase. Over the years that I have been involved, one of the main issues looked at has been a change to opt out. We have to look at what happened in countries where they moved towards presumed consent from the position of informed consent.

As well as looking at international examples, it is important to look at the evidence of the taskforce set up by the previous Government in 2008. I have looked at the matter in detail. Spain is often quoted by people who favour presumed consent; it was their exemplar, until perhaps 12 months ago, when it became Belgium. Presumed consent was introduced in Spain in 1979, but nothing happened for 10 years. In 1989, a new law was passed in Spain, which introduced a comprehensive transplant co-ordination system throughout the country to raise awareness and understanding. That is what made the difference. From that date on, there was an increase such that Spain is now one of the best examples in the world for organ transplant.

Alun Cairns (Vale of Glamorgan) (Con): I pay tribute to my hon. Friend for the work that he is doing in this area. Is he aware of the independent analysis of the model in Spain by our former colleagues in the Welsh Assembly? When they went to visit Spain, they were in favour of presumed consent at the outset, but they changed their minds by the time they came back. There is extremely effective evidence that can be contributed to the debate.

Glyn Davies: I thank my hon. Friend for that intervention. That is a point that I want to make. Nearly everybody wants to increase the number of organs available, but we must be careful to look at the evidence to ensure we do not introduce changes that will hinder that. I have read the taskforce's careful evidence. The Prime Minister of the day said that he wanted to move down this road. Members of the taskforce tended to be supportive of that move at the start, but by the end they unanimously said it was dangerous to move in that direction and that there was a real danger of it reducing the number of organs available.

We must be incredibly careful. I welcome this debate—and indeed the debate taking place in Wales, which started yesterday—because it raises awareness of the issue. Family members will know what the wishes of the deceased were and they will be able to give permission without there being a statutory register. There is no such register in Spain—or at least hardly anyone joins it. The family must know. As long as we raise awareness and understanding of what is involved and have people who can speak to those in a difficult position—because someone has just died, or a machine is about to be turned off—in an understanding way, it will encourage the nation. If we go down that road, I think we will produce the extra organs that we need.

11.17 am

Duncan Hames (Chippenham) (LD): I know time is short, Mr Davies, so I will be brief. I want to draw the Minister's attention to the Sign Up, Speak Up, Save Lives campaign, which is currently featuring in Channel 4's youth engagement "Battlefront" programme. I am grateful that the Under-Secretary of State for Health, the hon. Member for Guildford (Anne Milton), has agreed to meet me and Abby and Hope, the young women campaigning to increase the number of people registered on the organ donor register. Given the arguments made in the previous speech, I want to draw everyone's attention to an alternative suggestion that I have been advocating with Abby and Hope, which is that we use the opportunity afforded by the introduction of individual electoral registration during this Parliament to give all adults the opportunity to join the organ donor register at the same time as they are asked to register to vote.

From the evidence I have seen, it is clear to me that the welcome news about the reduction in fatalities on our roads means that there is a particular need for us to attract young, healthy adults on to the organ donor register. If people get the opportunity to do that with the paperwork that they complete when they join the electoral register, that will be helpful in meeting the objective, which we all share, of encouraging more people to register as organ donors.

11.19 am

The Minister of State, Department of Health (Paul Burstow): I congratulate the hon. Member for Wolverhampton South West (Paul Uppal) on securing this debate, and on squeezing so much in. There were so many interventions that it felt almost as if a 90-minute debate had been fast-forwarded to include everything. I appreciate his approach, and the substantive contributions that we have heard during the short time in which we have debated this important issue. Transplantation is one of medicine's great success stories, and I know that the hon. Gentleman has taken a keen interest in the subject for a considerable time. He is right to hold the Government's feet to the fire when it comes to ensuring that we maintain progress in such an important area.

The coalition Government are absolutely committed to increasing the number of organs available for transplantation, and we believe that as many people as possible who need a replacement organ should be given the opportunity to benefit from a transplant. In many ways, the success of transplantation surgery and advances in technology have led to the current challenges of unmet need that have been described so powerfully and with personal examples.

Some 10,000 individuals now require a transplant, and tragically about three adults or children die every day either waiting for a transplant or after being taken off the list because they have become too ill. The hon. Member for Newport West (Paul Flynn) mentioned a blog that details the suffering and misery endured by families while they wait for a transplant, and that speaks volumes about why we must do more work in that area.

The Organ Donation Taskforce's recommendations, published in its first report, "Organs for transplants", in January 2008, were broadly based around the need for investment in the donation infrastructure. That is to ensure that the UK maximises its potential for donation rates, and makes organ donation a usual part of health care.

The Welsh Government's recently published White Paper on organ donation has been referred to, and we will study their proposals carefully. In 2008, however, the independent Organ Donation Taskforce also examined the case for moving to an opt-out system but recommended against it, concluding that, although such a system might have the potential to deliver benefits, it would also present significant difficulties.

[Paul Burstow]

My hon. Friend the Member for Montgomeryshire (Glyn Davies) rightly drew attention to Spain, and the fact that, despite the enactment of a similar opt-out scheme in 1979, a significant transformation in the level of performance took place only after investment in infrastructure in 1989. The taskforce has drawn lessons from the Spanish experience, and it is right that we are guided by evidence.

I was asked about the taskforce's intention that we achieve a rate of organ donation of at least 50% by 2013. That is certainly our aim, and we are on track to deliver it. Significant resources have been made available to implement the taskforce's recommendations—largely through NHS Blood and Transplant—to increase the number of specialist nurses, who are a critical part of the system, and to appoint clinical leads, donation committees and donation chairs in acute trusts to drive improvement locally.

Dr Poulter: As the Minister will be aware, in 1994, there were 2,500 people on the organ donor waiting list, and last year there were over 7,500. Only 29% of the UK population are signed up to organ donation, which is woefully inadequate given that 552 people died last year while waiting for an organ transplant, excluding those who were taken off the list because they had become too unwell. It is a big problem; people are living longer, sometimes with multiple medical co-morbidities, which means that more people will need transplants. The problem will become an increasing challenge for health care providers and the Government.

Philosophically, I agree with the Minister and I am not in favour of compulsion. Does he agree, however, that we need a more targeted community-focused approach and, as with the cot death campaign that reduced cot deaths from 2,000 to about 300—

Philip Davies (in the Chair): Order. Interventions must be brief.

Paul Burstow: The hon. Gentleman advances an important point. We cannot tackle the issue from the top down; it requires leadership from the bottom up in local communities. That is why NHS Blood and Transplant's website provides constituency-level information about the number of people on the register, the number of transplants that have taken place, and the number of people waiting for a transplant. That information is invaluable to us as MPs and leaders in our local communities, and we should work with others in our community to break down some of the barriers of misunderstanding and misconception that were referred to by the hon. Member for Wolverhampton South West.

We have seen an increase in the number of organ donors by around 28% since 2008, and we are on track to meet the 50% improvement by 2013 set by the taskforce. As the hon. Member for Central Suffolk and North Ipswich (Dr Poulter) said, 29% of the UK population are on the organ donor register, and it is interesting to note how levels of registration change from one constituency to another—I urge hon. Members to look at that. The number of deceased organ donations rose to 1,010 in 2010-11, compared with 745 in 2001-02. The year 2010-11 also saw a record number of transplants from deceased and living donors, with 3,740 transplants carried out in the UK, compared with 2,633 in 2001-02.

Despite the considerable progress made over the past few years, however, there is still a shortage of organs donated for transplant. The situation is particularly serious for people from African-Caribbean and Asian backgrounds, because they are three to five times more likely to need a kidney transplant than white people. That is why we cannot be complacent, and we will continue to work with partner organisations to promote donations. That can be done through the Give and Let Live initiative in schools, where new information about the issue is circulated by NHS Blood and Transplant; by requiring people to answer a question about organ donation when applying for a driving licence; or by asking people to sign the organ donor register when applying for a European health insurance card and so on. The African-Caribbean Leukaemia Trust seeks to raise the importance of organ donation in black and minority ethnic communities, and local leadership is a key ingredient in delivering improvement.

Through various public awareness campaigns, NHS Blood and Transplant also publicises the need for more people to register as donors. Work continues at national, regional and local levels further to strengthen the donation programme, to support the excellent work of the NHS in identifying, referring and procuring donor organs, and to make organ donation a usual part of end-of-life care.

I am grateful for the opportunity to reassure all hon. Members in the debate that, as we modernise the NHS, we will continue to focus on driving forward an improvement in donation rates. To maintain that momentum, with the support of all UK health administrations, we have established a transitional steering group that includes health departments, NHS Blood and Transplant, the British Transplantation Society, and the royal colleges. It aims to focus on actions that will continue to embed donation within end-of-life care, and provide a link between oversight of the programme delivery board and the establishment of the NHS commissioning board in 2013. It will also provide a clear link to Health Ministers for any reports on progress.

The transitional steering group will focus on six key areas: increasing consent rates; brain stem death testing in all appropriate cases; donation after circulatory death to be considered in all circumstances; increased donation from emergency medicine; increased and more timely referral of potential donors; and improved donor management. The work of the transitional steering group will continue to drive improvements in the UK's organ donation programme, and increase donation rates.

The hon. Member for Wolverhampton South West asked about leadership, which is an essential issue. The national clinical director for transplantation, Chris Rudge, has recently retired from that role, although I confirm that he will be appointed as leader of the transitional group, which will provide continuity of leadership. I hope that that reassures the hon. Gentleman, and others, about the Government's serious intent to deliver on the important target. I can also inform the hon. Gentleman that we will not wait until 2013 to look at what should happen next, and we have already begun to develop a post-2013 strategy. NHS Blood and Transplant is starting to prepare the relevant documents, and is working closely with the transitional steering group.

This has been an incredibly important debate and significant points have been raised. I hope I have demonstrated that, in terms of leadership, intent and drive, we are committed to building on the improvements we have already seen and, where appropriate, to learn lessons from other parts of the world. That will require us all to play our part in raising awareness of organ donation, and of what the consequences for people's lives will be if donations are not made.

As the hon. Member for Wolverhampton South West said, donation is a precious gift. We need more people to realise that and give such a gift by putting their name on the register and being willing to donate.

11.29 am

Sitting suspended.

Obesity

[Mrs Linda Riordan *in the Chair*]

2.30 pm

Mr Gregory Campbell (East Londonderry) (DUP): It is a privilege to speak under your chairmanship, Mrs Riordan. I am delighted to have secured the debate. I have come to notice, particularly with health-related issues, that an hon. Member may think they are well informed on a topic when they succeed in securing a debate, but once they have succeeded in securing it, the administrative back-up kicks in and all the groups involved start supplying them with significant amounts of promotional material, and they are even more well informed by the time the debate arrives. I thank all the groups involved with this issue for providing me with information.

Sometimes it is wise to start a very serious debate with a slightly humorous anecdote. I am reminded of the overweight gentleman who was sent along to his local well man clinic by his wife, as men are wont to be. She instructed him to go to the well man clinic and to come back with precise instructions on what he was to do to lose weight. When he came back with a smile on his face, his wife said, "There's something wrong here. What exactly were you told?" He said, "Well, I'm exactly the right weight—for someone who is 7 foot 8." Unfortunately, that encapsulates part of the problem.

A sedentary lifestyle is not only costing those members of society who are overweight very dearly; it is costing all of us exceptionally dearly. From the correspondence that I have had and my own research, it appears that obesity currently costs us—depending on whom we believe—between £4 billion and £7 billion a year directly and indirectly. Whichever figure is right, the reality in 2011 is that we are talking about an exceptionally expensive but preventable series of conditions. The situation is bad at the moment, but unless we take radical steps and measures, unless we do something fundamental—I will come to that later—the rates of obesity are likely to double in the next 30 years.

Currently, almost one third of children are overweight, so obesity is not a condition that is the preserve of either the elderly or the middle-aged. All of us in society, right across the age spectrum, are being affected. Only 20 years ago, people who visited America—perhaps somewhere such as Florida—would come back here and say, "The United States has a terrible obesity problem. Thankfully we will never be like that." But we are, and things are likely to get worse.

For example, 25 years ago, about three quarters of schoolchildren walked or cycled to school; now, less than 10% do so. When giving that figure, I take into account the fact that there have been lifestyle changes, school closures and so on, but the fact remains that there has been a significant increase in sedentary lifestyles. There has been a change in attitudes. The unfortunate reality is that more and more of us are spending more and more time at desks, in front of computers. Many people become couch potatoes—unfortunately, that analogy is all too accurate.

I will give another statistic to show how things have got considerably worse. In the early 1980s, roughly 7% of the population were classed as overweight. That

[Mr Gregory Campbell]

ratio has trebled in the past 30 years. We can see the trend. It is likely to double again in the next 30 years. We must get to grips with a problem that, as I said, is proving exceptionally expensive for us all.

Obesity is linked to socio-economic deprivation. The figures that I have been able to establish indicate that the ratio of children in lower-income households suffering from obesity is twice that of those in higher-income households. Again, we see the repetitive nature of the problem, the cyclical response that is indicative, because many obese children are, unfortunately, the children of either one obese parent or two.

Of course, we all know of the additional and subsequent health risks associated with this condition. We are all aware that heart attacks and strokes, coronary artery disease and type 2 diabetes are much more likely among the overweight. There is an additional cost further down the line, in years to come, as people who begin to be overweight today begin to show the symptoms of those other conditions only in years to come and then of course have to be treated by the NHS.

Jim Shannon (Strangford) (DUP): Type 2 diabetes is one of those hidden diseases that some people do not know they have. The indications are that there will be a 50% increase in the number of diabetics in the next couple of years. Does my hon. Friend believe that diabetes itself needs a direct Government plan in order for that issue to be addressed, because it is a hidden disease that can kill?

Mr Campbell: I thank my hon. Friend for that intervention. I hope that the Minister will respond to it. I want to come on to some of the things that Health Ministers throughout the United Kingdom—in the devolved regions as well as here—can do to deal with the issue, but my hon. Friend's point is certainly well made.

Having diagnosed the problem, as it were, I want to consider what is being done. It is not all negative. A considerable series of measures is being taken, not just nationally but locally. Various councils, various health trusts in Northern Ireland and other bodies are actively engaging in trying to come to terms with the problem. Many programmes that promote healthier food choices are being actively promoted. I am aware of the healthy eating awards, and of course we are all aware of the food labelling issues that have come to the fore in recent years. There have been other programmes aimed at reducing the salt, sugar and fat in some foods. All those things are creating greater awareness among the wider community, but we are fooling ourselves if we think that the measures currently in place will arrest the problem.

I will turn at this point to what needs to be done now and for the foreseeable future. Obviously, the fast food industry is a key player in relation to the problem. Some people in that industry are quite responsible. Some have responded to the campaigns driven locally and introduced more healthy eating options—they are to be commended for doing so—but some have not. We need to see best practice not just nationally but internationally being analysed and then promoted, so that we can see significant progress.

At the moment, there is—certainly in Northern Ireland, and I assume across the UK—a better educational approach in schools. Our young children, particularly primary school children, are now getting information that simply would not have been proper protocol 25 years ago. Many people then would not have even seen the need for primary school children to receive that type of education. That is changing, but again, more needs to be done to increase awareness. We have all seen issues where, for example, healthy eating has gone wrong. Sometimes we see photographs in newspapers that show parents queuing up to give other types of food to children because healthy eating standards have gone awry. We need to ensure that the whole educational process about healthy eating for children is properly assessed and rationally implemented.

When we ally the fast food sector—I do not want to name any of the organisations—with a sedentary lifestyle, I think we can account for 80% to 90% of the obesity problem.

Nick Smith (Blaenau Gwent) (Lab): The hon. Gentleman's point about a sedentary lifestyle is important. The Welsh health survey 2008 showed that 21% of the population in Wales were obese. Does he agree that encouraging people to exercise and to avoid the sedentary lifestyle that he is talking about is important to reduce the alarming obesity rates, in addition to eating more healthily?

Mr Campbell: I agree with that; I was just about to come to the issue of exercising. I love walking, and when I get the time to walk, as I try to weekly, I despair at the rarity of seeing other people walking and exercising.

Jim Shannon: Surely, my hon. Friend does not just walk; he marches. When someone marches, they lose more calories, and I understand that he marches often.

Mr Campbell: I thank my hon. Friend for bringing us back to basics with a Northern Ireland and Scotland perspective on that. That is true.

I do despair when, for example, I see very few people exercising between October and March or April, and even fewer children.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): The hon. Gentleman will be aware, as I am, that part of the problem lies in the Department for Education, not the Department of Health. One of the obstacles to kids exercising is that teachers do not want to take them out of the classroom because of the raft of health and safety obstacles in the way. We need to address that in this Chamber as much as we do the health aspects.

Mr Campbell: I knew that the dreaded health and safety would come in at some point, and I am glad that the hon. Gentleman managed to get it in. I agree with him totally. Many teachers, administrators and principals would dearly love to get their children to exercise more, but they know that all the dreaded health and safety boxes have to be ticked.

David Simpson (Upper Bann) (DUP): I congratulate my hon. Friend on securing this important debate. I shall encourage him by telling him that I have started to walk; it has not made a lot of difference, but I have started to do it.

Surely fast food outlets have a responsibility in their marketing tactics, which offer "buy one, get one free". That needs to be addressed.

Mr Campbell: My hon. Friend is absolutely right, and I hope the Minister will respond to that. I know that a small number of fast food outlets in Northern Ireland have acted responsibly, but unfortunately they are a small number. It appears that the behemoth of consumerism will simply market and promote the message of "stack them high and sell them cheap." We have to come to terms with that reality, because it is driving many people to an early grave—it is as serious as that. In 2011, many in the younger generation are not only overweight, but will be diagnosed in 20 years' time with health conditions that could shorten their lifespan by up to 10 or 12 years, unless we get to grips with the problem.

There is, as the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) indicated, an educational and health problem. It is for all of us in society to promote a healthier lifestyle. That is where I think we can do more to get role models to do what they can to promote healthy eating and a healthy lifestyle. Some role models, unfortunately, do anything but promote a healthy lifestyle, but we need to ensure that more suitable role models are approached and asked to try to promote such a lifestyle, so that we can address this horrendous and difficult problem.

Mr Nigel Dodds (Belfast North) (DUP): I, too, congratulate my hon. Friend on securing this important debate.

Does my hon. Friend agree that although good progress on the issue has been made on a voluntary and self-regulatory basis, the time has come for more legislation? We have seen that approach with the compulsory wearing of seat belts and the banning of smoking in public places, which was resisted on all sorts of grounds. That approach has had a beneficial effect on health and public safety. Is it not time for the Government to go further in forcing food and drink companies to act more responsibly?

Mr Campbell: I agree with my right hon. Friend. We also need to look at the cost of products on supermarket shelves. Again I refer to some of the correspondence that has come my way. Fizzy drinks are quite attractive to younger people, and to some who are not so young. Is it fair that their low-calorie equivalents, some of which contain one calorie, and the fully fizzed-up versions, which can contain 139 calories, cost virtually the same?

A range of approaches needs to be co-ordinated and best practice needs to be introduced. I hope that the Minister will be able to speak about the devolved Health Ministers, with whom I hope he will have discussions about the best way to promote best practice and to ensure that, wherever practical and possible, close co-ordination can take place, so that across Scotland, Wales, England and Northern Ireland we can begin to address and—I hope—reverse this horrendous and difficult problem.

2.48 pm

Dr Sarah Wollaston (Totnes) (Con): I thank the hon. Member for East Londonderry (Mr Campbell) for securing this important debate. I do not want to repeat his message about the economic cost of the problem, but I would say, having been a general practitioner for 18 years, that once someone becomes obese, it is extraordinarily difficult to regain their normal weight in the long term.

I would like the Minister to consider the following points. We need to focus on better identification of those who are most at risk, particularly children, and to target action on those high-risk children. A nudge will just not go far enough, and it is time for more of a bit of a shove. We need particularly to look at the role of liquid calories in obesity among children. I ask the National Institute for Health and Clinical Excellence to update its guidance and review the evidence.

Nearly two thirds of adults are overweight or obese, but they do not start out that way. Around one in five four to five-year-olds are overweight or obese, but by the time they reach 11, that figure will have risen to one in three.

The Minister of State, Department of Health (Mr Simon Burns): On the point about NICE, may I give my hon. Friend a reassurance that might be helpful at this stage in her contribution? As she may know, NICE has recently consulted on whether now is the right time to review its original guidance. As a result of that consultation, it will be making a decision later this month.

Dr Wollaston: I thank the Minister for that helpful response and look forward to hearing the outcome of that.

Children at primary school and in the early years before they have reached school are among the really high-risk groups. Some 85% of obese children go on to become obese adults, whereas only 12% of normal weight children become obese adults, so it makes sense to focus on that group of children, but that can happen only if we have better early identification. We should introduce annual measurements of weight and height, so that we can see when children are starting to slip towards obesity. We should target our resources much better on that group.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Years ago, parents with chubby children would be told, "It's puppy fat and they will grow out of it." There is still that idea around among otherwise bright and responsible parents. We need to press the point that chubby children grow into chubby adults.

Dr Wollaston: I absolutely agree with the hon. Lady. We need to be much clearer with parents that their children are at risk and that being overweight is not something that they will grow out of.

We should be much more creative about how we target help to high-risk children. Why not allow all those children to have free healthy school lunches? As poverty and deprivation have such strong links with obesity, considering that high-risk group is particularly appropriate if we are to address the Marmot agenda. Unfortunately, families on tight budgets are much more likely to be pushed towards unhealthy and cheaper

[Dr Wollaston]

choices. If we want to nudge them in the right direction, we must recognise the role that price plays in the choices that they make. We should look at the role of loss leaders. We urgently need a change in what supermarkets offer so that loss leaders are redirected towards healthy rather than unhealthy products.

Why not incentivise exercise in those high-risk families with vouchers for success and free access to good-quality sports facilities? We should incentivise a whole-family approach to cooking skills because cooking is a fun activity. An effective way forward would be to make such a service free and readily available to whole families.

On liquid calories, a survey conducted by the British Dental Association and Ipsos-MORI showed that 47% of children's fluid intake is in the form of sugary and carbonated drinks. That means that one in five children is consuming 500 calories or more a day just in the form of sugary drinks and 73%—nearly three-quarters of children—are consuming more than 200 calories a day. It is a staggering number of calories that children are consuming.

If we look at adults, we will see that there is a particular issue with alcohol. The chief medical officer has already highlighted that around 10% of an adult's calorie intake can be through alcohol. What we should understand from that is the role that discounting plays. I have mentioned that before. It really does not matter how disciplined the rational part of our brain tries to be—the irrational and impulsive side will continue to be irrational and impulsive. It is not helpful to see heavily discounted products in super-sized multi-buy packs piled high at the check-outs in supermarkets. If we want to move "nudge" towards "shove", we should regulate how supermarkets market their products. I do not suggest that the whole answer to obesity lies in regulating supermarkets. I realise that there is a complex interplay between over-supply, pricing, culture, marketing, poor consumer choices and human nature. There is also the interplay between genetic predisposition and a lack of exercise. However, it is unlikely that our current strategy will go far enough in this regard. If we are going to do something about the £5 billion a year that this problem is costing us—the figure is predicted to rise to £10 billion a year by 2050—I suggest and hope that the Minister takes a strong line and abandons the idea of giving the problem a little nudge, in favour of giving it an almighty shove.

2.55 pm

Justin Tomlinson (North Swindon) (Con): I congratulate the hon. Member for East Londonderry (Mr Campbell) on securing this very important debate. I echo many of the points that have been raised this afternoon, but I want to concentrate mainly on the childhood obesity angle. It was mentioned that a third of children are overweight, and that 85% of those will then go on to be obese in adulthood. I want to cover four topics: planning, food, sport and youth provision.

Gardens are a third of the size they were in the 1960s. Front gardens are often more of an aspiration than a reality in new build areas. I am keen that we make greater use of accessible and usable open space. Before becoming MP for North Swindon, I was for 10 years a councillor for a new build estate. I used to complain time and again that there was not sufficient usable and accessible open space, and I was told, "You are wrong. You have more open space than anywhere else in Swindon." It transpired that that is because the definition of open space includes hedges and heritage sites, neither of which is suitable for a child to play football on, and that is something that needs to be considered.

I am not asking for premier league, standard turf right across all housing estates. When I was growing up, our open space was an almost vertical hill. The twins, Matthew and Paul Gilbert, who were technically gifted at football, got to kick the ball uphill all day long and myself and my friends got the advantage of kicking it downhill. Such is the creativity of young people.

Open and accessible spaces are very important. As a child, I was very sporty. I grew up in the 1980s when children were fuelled with artificial colourings and flavourings—the sort of things that we are now worried about. None the less, I had the balance because I spent all day running around. We copied the television, so mostly we played football. If the Ashes were on, out came the cricket bats. When it was the Tour de France, the bikes came out. When it was Wimbledon, we brought out the tennis rackets. Normally, we brought them out for only two weeks or for one or two days if we were following our British hopes.

I was also the lead council member for leisure. People always said to me, "The emphasis is on creating lots of really good leisure centres." The reality is that youngsters go to leisure centres only once or twice a year—normally for somebody's birthday party. It is the jumpers-for-goalposts mentality that matters. It is really important that we build in to developments usable and accessible open space.

It became fashionable to build new public buildings under the private finance initiative scheme. Ignoring the advantages or disadvantages of the scheme, there was a particular problem for local communities in that they could not afford to access those community facilities. Again I know, from my time as a councillor, that we had some wonderful open spaces behind very big fences and the local community could not afford to hire the sports clubs, so that is another issue that requires consideration.

Local authorities are always under pressure on funding. One of the areas that I would like to see prioritised is investment in local country parks. Families would use them and we would see jumpers for goalposts, family walks, people walking their dogs and all sorts of different free activities to get people going.

Councils can be innovative in this area. Let me give three examples from my own local authority. First, £1 million has been invested in Mouldon hill through section 106 money—nothing new there. We had £5 million invested in Lydiard park, of which £4 million came from the Heritage Lottery Fund and £1 million from local private businesses and organisations. The best one of all was the £2 million investment in Shaw forest, which was a tip. We charged neighbouring authorities to put their rubble on top of the tip and then we planted trees and now it is a very enjoyable country park in which to walk the dog.

There have already been some very good contributions on food, so I will just mention my particular bugbears. First, basic cookery in schools should be compulsory.

Nowadays, too many people's idea of cooking is a three-minute wait and then the ping of the microwave. As an MP I have visited a number of schools to see how they provide cookery lessons. I am a big supporter of the £20 million national lottery-funded "Let's get cooking" campaign, which is coming to the end of its five-year scheme. I hope that it will carry on. The main function of the campaign is to encourage cooking in schools. Last Friday, I visited a cookery session at Warneford secondary school in Highworth. Boys and girls from different backgrounds joined in enthusiastically. Cooking is not a bind for young people; they want to do it and they enjoy doing it. With "Junior Masterchef" and all the other cookery programmes on TV, they are inspired to cook.

The children themselves made another point to me. A lot of professional sportspeople are the role models for young people. Because professional footballers, for example, only train for a couple of hours a day, they have to do something with the rest of their time and a lot of them now are very good chefs, which has filtered through to a lot of young people, particularly younger boys.

I have also visited Haydonleigh primary school, which had what to my mind is the perfect example of cookery in schools. In Haydonleigh's cookery sessions, the parents or grandparents of children were invited to come in, so that they were cooking with the children, who would then take their skills back home. However, there was also an allotment at the school, so the children got to see the full cycle: they planted the seeds; they grew the vegetables; they cooked in school with their parents or grandparents; and they went home and carried on cooking.

In my role as the vice-chair of the all-party group on heart disease, I fully echo all the points that have been made about the need for clear and uniform labelling of food, which allows people to make informed decisions.

Dr William McCrea (South Antrim) (DUP): Does the hon. Gentleman believe that GPs have a greater responsibility and need to be more proactive in informing people about, and leading people in, healthy eating?

Justin Tomlinson: Yes, I absolutely do, but this is an area where the schools can lead, in terms of teaching the basic cookery and giving students the information they need, and I am covering that.

Then there is food labelling. I want to refer to labelling here in Parliament, because people often say, "Does labelling really make much of a difference?" Well, we have the "traffic light" system in our canteens in Parliament. As a general rule, anything that has a red sticker next to it is normally the most attractive thing, but we are able—even we MPs, with our limited intelligence—to say, "I can't have too many of those," although I confess that, as I was writing this speech earlier, I was eating a pork pie. So I failed by that rule myself.

I turn to organised sports now. I have already said that the most important element is the open, accessible and usable space on which kids will be creative. But organised sport also plays a very important role and there are a lot of opportunities that we can examine, in order to be more proactive.

I set up a sports forum when I was a councillor and that forum brought together about 60 different sports groups, who shared best practice. For example, there would be one group saying, "We've got a facility, but it's underused," and there would be another group saying, "We haven't got the facility, and we need one." We put those two groups together and between them they became experts at applying for external funding. There are lots of examples of external funding and I will talk about one in a moment.

I was quite an outspoken critic of the plan to scrap the school sports partnerships scheme and I was delighted when the Government changed their mind and delayed the scrapping of the scheme by nine months, to allow the good and successful examples of school sports partnerships to dig in and secure their existence. The principle of the school sports partnerships in schools was not to deal with those children who are already technically gifted, because by and large if a child is naturally good at sport—probably because their parents encouraged them—they are usually already involved in competitive sports clubs. Instead, it was to deal with the three out of five kids who were not naturally inspired to participate in sport and to provide them with a menu of alternative sports, because there is something for everyone.

It is not only a question of getting people to be active. One of the biggest challenges that sports groups tell me about is that they would like to provide lots of facilities but are struggling to do so because they are struggling for volunteers, for example to join the administrative staff and coaching staff who do all sorts of things, such as filling in forms to make all the bookings, to provide the organisation so that the kids can take part in activities.

I will touch on the point that my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) has made today, and in previous speeches, which is the need to address the cost of insurance. One of the barriers for a lot of schools is that many teachers are very young and it costs a fortune to insure a teacher to use a minibus. I have pleaded with several Ministers to consider providing some national insurance scheme for all different schools, so that they can achieve economies of scale and make the cost of insurance cheaper. In addition, health and safety issues prevent a number of schools from taking up more opportunities.

Councils should also do more to open up facilities. It is a crying shame that many of our facilities are closed on Friday and Saturday evenings. We are talking about tackling antisocial behaviour and childhood obesity. Where there are leisure centres that are shut, surely we should open their doors and provide facilities.

A good example of how that process works is that we have just had an academy built in the last few years in Swindon; an old school was closed down to build it. However, just before the decision was made to do that, £4 million was invested in a fantastic new sports hall in the old school. Initially and regrettably, the council was going to bulldoze the new sports hall along with the old school, because there was no point in having a random, stand-alone sports hall. Through the sports forum, however, we managed to identify a sports group that could take over that sports hall. It was Esprit Gymnastics and Mark Hows, who runs it, is fantastic at identifying funding opportunities. He had about 250 kids a week in his old facility, but that was at full capacity. However, he had an income, so he could pay a rental income to the council, which is revenue-stretched, and he said, "Just don't bulldoze it. I will rent it." Now his group has more than 500 kids a week participating, including potential Olympic athletes, and they are a real jewel in the crown

[Justin Tomlinson]

for Swindon. That is a good example of the council being proactive and working through the sports forum to identify other facilities that can be used.

One of the external bodies that provide funding is the Football Foundation, which provides funding through its "Grow the Game" scheme. That scheme aims not only to increase participation but the sustainability of it. I have seen a lot of funding come in and people will put on a one-off session. That is great, but it does not really make that much difference. The "Grow the Game" scheme slants its funding to ensure that it is not just used for one-off things. It targets things such as coaching qualifications to provide additional coaches so that more junior clubs can take part, and paying for facility hire if there is a group of volunteers, particularly in challenging areas where there may not necessarily be a huge amount of funding. Also, first aid provision is funded, as part of the process of ticking off the many items on the very long health and safety list that exists. Already the sports forum has increased participation by 12,000 new players and, crucially, by an extra 2,000 new coaches. That is just one of many, many schemes, but councils and the Government can do more to help sporting groups and volunteer groups to identify the different streams of funding that are available.

My final point is about youth provision. My suggestion is a little bit contentious, but I have road-tested it on a number of schools, youth clubs and colleges. In the past, there was a traditional divide, whereby children were either very sporty and they went to a sports club, or they might choose to go to a youth club, and the divide would never be crossed. But times have changed and when I talk to young kids they are all very keen, either on whatever sport is popular on TV or even on things such as cheerleading or street dance, which are not strictly "sports" but which get the heart rate going.

I think that the youth service and the leisure service in local authorities should be merged to become one service. The chief officer within those areas should be one person and they should not employ armies of youth officers with very expensive youth clubs attended by only a handful of children, where they do things that we may have liked doing when we were younger but which, I can assure hon. Members, these days kids are not particularly switched on by. Instead, we should open up schools, community centres and leisure centres. We would pay for football coaches, street dance instructors and so on, and say, "Right, it is 50p. You come along and for the next two hours you're in a constructive environment, and you're doing something that is active."

That is not just some pie-in-the-sky thing. In Swindon, we have the ice-skating disco on a Friday night for teenagers and 600 kids chase around the ice after whoever they think is particularly good-looking. They are being very active for a couple of hours; they are off the streets; and the youth service could and should be parking its mobile facility outside. Those young children who need the traditional youth service, from which they can get advice and seek help, will find that that is available. For all of the others who might have been put off going to the youth club, because that was the only thing that was available, there is the enjoyable activity of ice-skating. I am very keen to push such projects and we could judge their success by the number of children who are engaged by them.

To conclude, it is for us—whether we are the local authority or the Government—to provide as many opportunities as we can: through the planning system, through making changes in teaching cookery and in food labelling, and also through the power of sport.

3.7 pm

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I am grateful for the opportunity to contribute to this debate. I will not speak for very long, but it is worth highlighting some of the issues that have been raised in a comprehensive way. I congratulate the hon. Member for East Londonderry (Mr Campbell) on securing this debate.

Obesity in the UK is a growing problem. In 1993, only 13% of men and 16% of women were obese, but in 2009, 22% of men—and 24% of women—were obese, which represents almost a doubling of the number of men with obesity. I am not talking about people with a body mass index of between 25 and 30, which means that they are overweight; I am talking about obesity. Almost a quarter of the UK population is obese and I am sure that we all find that unacceptable.

How can we deal with obesity effectively, because whatever previous Governments have done, obesity has not been addressed in a way that has worked or has been effective? First, I will briefly outline how Government policy is moving towards more community-based interventions on obesity, and I will explain how that approach, through the health and wellbeing boards that will be set up under the health care reforms, will be effective and work well. Secondly, I will talk a little about nudge theory, because I am more hopeful and optimistic about it than my medical colleague, my hon. Friend the Member for Totnes (Dr Wollaston). There is good evidence elsewhere, particularly in Iceland, that it has worked, and I hope it will also work effectively in relation to obesity.

Jim Shannon: While the hon. Gentleman is giving us his thoughts, and given his experience in his previous job, will he comment on gastric band operations? Just two weeks ago, I had occasion to visit the Northern Ireland Health Minister, Edwin Poots, with some of my constituents. These people had tried everything to lose weight; they had tried dieting and exercise—some of them were not able to exercise, which was the other problem—but they had clear medical and health problems. As a last resort—this really is the last chance saloon, or the last chance restaurant, perhaps—should regions and Health Ministers set aside money specifically for gastric band operations?

Dr Poulter: We certainly have to look at how the Government can help people to take more responsibility for their own health care. That is fundamental to obesity issues, and it is a particular challenge in more deprived areas. People often require gastric bands at the point where the medical problems associated with obesity—diabetes, the risk of heart attack or stroke, or high blood pressure—pose a potentially life-threatening risk. Such people may not have that long to live if a gastric band is not put in place, so it is the only feasible mechanism for dealing with obesity in such cases. Gastric bands have been shown to be an effective mechanism for looking after that part of the population, and there is good medical evidence to support their use. There is also good evidence in terms of the health care economics, as helping people to become slimmer will lessen the burden on the NHS.

The gastric band is good for the patient, because their health improves dramatically when it is used effectively, but the challenge with obesity is to bring about long-term lifestyle change, and the question with gastric bands is whether they necessarily deal with long-term lifestyle changes. In a medical sense, there needs to be greater emphasis on the education that goes with the bigger issues around obesity and lifestyle at the same time as the gastric band is fitted. I hope that that helps to answer the hon. Gentleman's question.

Andrew Bingham (High Peak) (Con): Does my hon. Friend share my concern that celebrities regularly have gastric bands fitted, with the result that the bands are now seen as a shortcut to losing weight? People think that celebrities have them, so we must all have them.

Dr Poulter: That is a good point. There is good evidence that the celebrity culture around dieting causes anorexia in young girls. It would be much better for us and for many of our constituents if celebrities sometimes showed greater responsibility in the way in which they behaved. Gastric bands are an effective way of dealing with severe obesity, but they should not be used as a general method of bringing about weight loss. Weight loss is about education and people taking responsibility for their own weight and lifestyle. It is also about putting support in place in communities to let people do that, particularly in more deprived areas.

Mr Dodds: I have heard constituents talk about the use of statins and polypills. These medications have enormously beneficial effects for many people, and many people need them, but people almost seem to think, "Well, we have this magic pill available. We can eat and drink as much as we like, and then we can go on this pill." Does the hon. Gentleman share my concern that we need more education about the use of such medications? At the moment, people are under the impression that there is something out there that can solve all these problems without their having to do anything to change their lifestyle.

Dr Poulter: Yes, certainly. There is an issue about how physicians prescribe effectively. Statins are an effective way of controlling cholesterol, and there is good evidence that they benefit people with heart disease and high cholesterol and that they increase life expectancy. There has been a lot of research, and I believe that it has been shown that statins may have beneficial effects in reducing the risk of breast cancer, although the Minister will correct me if I am wrong.

The right hon. Gentleman touches on the wider point that the emphasis in this debate needs to be on effective community-led interventions that tackle obesity and health care, and my hon. Friend the Member for North Swindon (Justin Tomlinson) discussed that very effectively. However, we need to ask how we will make those community health care measures effective.

The Government are setting up health and wellbeing boards, which are a very useful part of their health care reforms, because they will, for the first time, bring together different organisations in a meaningful way. Local councils in certain towns may run good community initiatives that connect GPs with leisure centres, exercise and sport, and some schools may encourage sport and physical activity in an effective way or have good links with local sports clubs. However, that does not often happen in a co-ordinated way across whole counties or, indeed, across the country. Health and wellbeing boards will help to bring together different organisations to address key public health problems, and obesity is a key public health challenge in all our constituencies.

As part of the health care reforms, the health and wellbeing boards will be able to address issues such as obesity. For example, if we know that there is an issue with teenage pregnancy or obesity in certain schools or among certain schoolchildren in my constituency, targeted interventions can be put in place in a much more community-focused way by getting the local authority together with health care representatives at a much more strategic level. That must be a good thing, because it allows much more targeted interventions.

The second thing I want briefly to discuss—I do not want to speak for much longer—is nudge theory. My hon. Friend the Member for Totnes has a slightly different view of it. I have more faith in nudge theory than she does, and I say that because we have had debates about agriculture—some of the Opposition Members here today were present—in which we discussed the need for corporate firms and supermarkets to show greater corporate responsibility on issues such as food labelling. We have now seen active movement from some supermarkets on honest food labelling. For example, we talk about food in a store being labelled British only if it is actually farmed in Britain, and not if it is merely processed or sliced here. We are beginning to see such initiatives come through, with supermarkets supporting British farmers. Morrisons is a good example of a supermarket where the British food stamp actually means something, and that allows consumers to make an informed choice. Supermarkets are therefore able to show corporate responsibility when they are asked to do so, although things are not entirely perfect, as we all know.

In a similar vein, the Government have introduced a public health responsibility deal, and it is a good initiative. Almost 200 different companies have signed up to the deal, including supermarkets such as Asda, the Co-op, Morrisons, Marks and Spencer, Sainsbury's, Tesco, Waitrose and many others. Fast-food outlets such as McDonald's, Pizza Hut and KFC have pledged to remove trans fats and introduce calorie labelling as a result of this initiative. Those are all pleasing and beneficial steps in the right direction.

Dr Wollaston: Does my hon. Friend share my concern, however, that organisations such as Asda, which have signed up to the new responsibility deal, are in some ways undermining it by offering hugely discounted alcohol products?

Dr Poulter: There are areas of obvious concern, where supermarkets can go further. As I said earlier, when we were talking about the agricultural sector, even though several supermarkets are backing honest food labelling, and showing responsibility in food labelling

[Dr Poulter]

and calorie counting to tackle obesity, it is right to highlight the areas in which they need to show greater corporate responsibility. Cut-price alcohol is one of those, and we will continue to monitor it carefully in our work on the Select Committee on Health, and as physicians. My hon. Friend makes a good point.

In preparing for the debate, although I do not normally take an active interest in children's TV, I found out about an Icelandic TV show called "LazyTown"—the Minister may want to expand on the subject a little later. The show is watched by children all over the world, and we have it in Great Britain as well. There is a healthy sports superhero character, called Sportacus, who motivates children to eat healthily and be active. In Iceland several "LazyTown" initiatives have been run in partnership with the Government and the private sector. For example, children between four and seven years old were sent an energy contract, which they and their parents signed, in which they were rewarded for eating healthily, going to bed early and being active. In one supermarket chain, all the fruit and vegetables were branded "sports candy", which is the "LazyTown" name for fruit and vegetables. That led to a 22% increase in sales at that supermarket, and improved health and reduced obesity levels in Iceland.

The fact that Iceland's child obesity levels have started to fall as a result of initiatives of that kind is good evidence in support of such corporate responsibility. Those initiatives are designed to support supermarkets coming together with Government, to make effective use of the nudge theory of improving behaviour, and they can work—and have worked. For that reason, we must support what the Government are doing, because there is evidence that it can work. It is a good thing and the evidence from Iceland is that we need to do what works, with children and communities.

I understand, and I am sure that the Minister will confirm, that the Department of Health has set up a partnership with "LazyTown" and is interested in expanding that initiative in the United Kingdom. We need more such approaches. The reason supermarkets sign up to such deals and initiatives is that it is good not just for the children, who become healthier and less obese, but for the supermarket and its brand image. Supermarkets see that working with corporate responsibility—we see it in our constituencies with Tesco schools vouchers—can enhance their image and custom, and do real good, for example, by reducing obesity levels.

I have greater faith in the nudge theory than my hon. Friend the Member for Totnes, and we need to allow similar initiatives to take root in the future. What has been done in the past has not worked very well; obesity levels have been going up. We have good evidence, from examples of corporate responsibility, that things can be tackled, so let us give nudge theory a chance. Let us also look to those health and wellbeing boards to provide community-based interventions that will work. If we do not do something, things will get worse, and the boards are a good way to address the problem.

3.23 pm

Andrew Bingham (High Peak) (Con): Thank you for giving me the chance to speak in the debate, Mrs Riordan. I had not applied to speak until I arrived today. I congratulate the hon. Member for East Londonderry (Mr Campbell) on securing the debate. Obesity is a problem that we underestimate at our peril. We have heard from Members who are medical people—I am not one of them—and have heard figures about the increase in obesity and the problems being stored up for the country. Those problems are to do with both physical well-being and the economy. Late onset diabetes, which can be related to obesity, will have an impact on health spending in the future, for example.

The problem has crept up on our society in the past 10 or 15 years. We have talked about diet, and I am at a slight advantage because I spent two years training to be a chef many years ago. To this day I always try to cook myself a balanced meal, although since being elected—other hon. Members' experience will no doubt chime with mine—there is a tendency on getting back to the flat to get a little lazy and reach for the frozen ready meal. That behaviour—the sort of thing we are probably guilty of—is what pervades the country. As people cook less, they tend to eat less healthily. We have already heard discussions about school cookery classes. I tend to agree with my hon. Friend the Member for North Swindon (Justin Tomlinson) that those classes should be a staple part of children's education.

As to the cost of ready meals, we have all been to the big-name supermarkets, where there are buy-one-get-one-free offers, ready meals for £1 and so on. I often have an argument with people outside this place about the fact that I still think it is cheaper to cook a balanced meal than to buy a ready meal, whatever its price. Fruit and vegetables are not expensive; they can be bought and prepared quite cheaply. The difficulty is that people are so busy—or the perception is that they are so busy—that they say, "I haven't got time." They prefer, as my hon. Friend the Member for North Swindon said, to do microwave cooking—three minutes, and ping. It is a question of education. We need to educate people to understand that it is quite simple to cook a balanced meal and live on a balanced diet.

I was visited some time ago by a constituent who came up with an idea called the Diet Plate. It is a fantastic idea—a plate that is portioned. If someone puts the relevant food group on the right portion of the plate it will be a balanced meal. Kay Illingworth was named in the British female inventor of the year awards in 2002 for that invention. I was given one, which I have in my office, and I am sure that hon. Members will realise, from looking at me, that I use it every day. It is a really good product, which looks nice and is made in this country. It demonstrates how to balance a meal and is a great way of educating people.

We have talked about sedentary lifestyle. I, like my hon. Friend the Member for North Swindon, remember the days of jumpers-for-goalposts football—kicking the ball around in the street, playing cricket in the summer, and so on. I still think that a lot of young people like physical activity. I spent 12 years as a councillor on High Peak borough council. We have a new all-weather football pitch in Hadfield. Hon. Members who know the area will know that someone coming down the road can see the floodlights, and every night there are dozens of people playing there. We used to do summer sports in the school holidays, to use the school facilities that were lying idle. Young people like to get out and play physical sport, and we need to encourage that as much as we can. There are two strings to this: it is not only what people eat, but how they burn it off. If the energy is not burned off, what is eaten becomes more important.

Simon Hart: My hon. Friend is making a strong case for children being inspired to take part in sport. Does he have a sense, as I do, that sometimes sponsorship of major sporting events by chocolate or crisp manufacturers creates a slightly false image, by relating unhealthy food to healthy activity? Does he have a view or some advice on that?

Andrew Bingham: I was going to come on to other activities shortly. I will watch or take part in sport, but who sponsors it does not chime with me much. However, ideally it would be better for an active product to support a sport. Interestingly, leisure centres all have vending machines full of chocolate. I know from experience that when the chocolate bars are replaced with cereal bars and healthy alternatives, the spend drops, because people like chocolate.

I am fortunate to live in the High Peak, which is a fantastic area with a huge amount of outdoor activity to do, including walking and hiking—the woods to play in. I am lucky, but inner cities do not have a huge playground such as the one I and my constituents have to play in. It is vital that people use leisure centres, and that they are encouraged into them. We can talk about what the Government should or should not do to get people to do that. I agree that the nudge theory will work. We have been subconsciously nudged into the present situation, because people have gone to the quick, easy meal and have taken up a more sedentary lifestyle. We have heard about the PlayStation generation, and we all walk around with BlackBerrys. If texting was good exercise and made people fit, the present generation would be the fittest ever. With young people in particular it is text, text, text. However, that is not active.

Mr Simon Burns: I am very interested in what my hon. Friend says and have listened carefully to the interventions. A number of Members have talked about what the Government, the Department of Health, the Department for Education or local government should do, but it strikes me as slightly odd that there has been little recognition of the responsibility of parents.

Andrew Bingham: I think that the Minister has been reading my notes. The point I was coming to was that we have talked a lot about what the Government can or cannot do, but this is one of many issues on which responsibility lies with us and with the parents of young people. My generation's parents taught us how to poach eggs, for example; it is all about education in the home. I know that I sound like a grumpy old man, talking about how it was in my day, with rose-coloured glasses—[Hon. Members: "No, Never"] I will concede on grumpy; old I will argue with, at the moment. We can discuss different demographics, but if people are brought up on balanced, home-cooked food they will carry that on through their lives. It worries me that the more ready meal-type culture we have, the more it will go on and the bigger the problem will get.

We can expect, or ask, the Government to do this, that and the other, but as with many things, responsibility lies with individuals and with the parents of young children. That is where we need to start, with people being responsible for their own actions.

We have a fantastic opportunity with the 2012 Olympics, when we will see athletes from across the world. I will wager that in a year's time, when Jessica Ennis wins a gold medal—I hope she does—we will see children out doing long jump and triple jump, using their own resources to copy their sporting heroes. We must capitalise on that. I played football in the winter as a kid because that was what was on TV, I played cricket in the summer and we all played tennis for two weeks when Wimbledon was on. We can use the Olympics. We talk about the legacy Olympics, and I would like the legacy to be the starting point for people getting active again.

Justin Tomlinson: We all have a role in encouraging our local schools to get 100% behind the school Olympics principle, so that when we have our successful athletes, in javelin or whatever we prove successful in, children can be inspired to take up the sport on a regular basis.

Andrew Bingham: Absolutely. There are dozens of sports in the Olympics, and everyone will watch and take an interest in one, so let us foster that and make the legacy of the games a healthier and more active society. We need to take that together with using the supermarkets, to get healthier eating.

We have a surfeit of cookery programmes on television. Every time we put it on there is someone gardening, doing DIY or cooking. Those three hobbies, or whatever we want to call them, can help to produce healthier people and a healthier country. Let us not necessarily rely on the Government. I agree with my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) that the health and wellbeing boards and the reforms in the Health Bill will help, but let us take on our responsibilities and get the message across to our constituents, getting the whole of society involved in this to make for a healthier and less obese Britain.

3.33 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): It is a pleasure to serve under your chairmanship, Mrs Riordan. I congratulate the hon. Member for East Londonderry (Mr Campbell) on securing this important debate, to which we have all been glad to contribute. He reminds us of how many issues we have in common in these British Isles.

I want to focus on the important subject of child obesity, and to talk about the responses so far to the Government's obesity strategy entitled "Healthy lives, healthy people: a call to action on obesity in England", which was presented to both Houses on 13 October. First, however, I want to say that some people might feel that Members of Parliament have a certain temerity talking about healthy lifestyles when their own lifestyle is relatively unhealthy, and I speak as someone who has been in this House for 20 years. Perhaps we should give credit to the few colleagues we sometimes see going through the Division Lobby dressed in their running gear after a bracing run. I am sure that Members will unite with me in congratulating those rare Members on that.

We are facing a crisis in childhood obesity. As I said earlier, gone are the days when we could look at a chubby child and say that they would grow out of it: chubby children grow into obese adults. I have to say, more in sorrow than in anger, that a wide range of

[Ms Diane Abbott]

people both inside and outside this House have expressed doubt about the effectiveness of the Government's obesity strategy. Before moving on to what I think the Government should be doing, let me focus on the picture in London.

London has higher levels of childhood obesity than any other British region. The capital's childhood obesity rate is 22%, compared with an average for England as a whole of just 19%. Across the capital, one in five youngsters are obese, with rates varying widely from 12% in leafy Richmond to 28% in Westminster. Childhood obesity costs the capital £7.1 million a year to treat, and the annual bill could reach £111 million if today's young people remain obese into adulthood.

Research commissioned by the Greater London assembly found that adult obesity costs London £883.6 million a year, and in my own constituency—Members will forgive me for mentioning it—a quarter of all year 6 pupils are obese. That is one of the highest rates in the country as recorded by the national child measurement programme. In 2010 in City and Hackney, 13% of children in reception year were overweight and 14% were obese. The number of overweight children was similar to the national average, but the proportion of obese children was slightly higher. Greater efforts are needed to prevent overweight and obesity at the pre-school stage, because a high proportion of children are already obese and overweight by the time they start school. The escalation of the trend through to year 6 suggests that we also need to implement robust interventions in primary schools.

A number of Members have talked about parental responsibilities. I put it to colleagues that some of the parents who are doing what we might understand as the wrong thing are, in their own minds, trying to be good and vigilant parents. One of the problems that young children in Hackney and the rest of London have is their sedentary lifestyle, and part of what motivates parents to keep their children indoors is this idea of stranger danger. We all know that attacks on children have not gone up in 20 years, but childhood obesity has spiralled. Many parents—not bad or careless ones—think that they are doing their children a service by keeping them indoors, safely watching television or playing on the PlayStation, rather than playing outside.

I was not the most sporty of children, unlike some of the Government Members who have contributed to the debate, but in the summer holidays my mother thought nothing of us having breakfast and then going out to play all day. We might have come in for lunch, or have gone to a friend's and come back for tea. Nowadays, no London parent would allow their child to play out all day without knowing where they were, and it is that sort of vigilance and possibly unwarranted fear of stranger danger that leads to many thoughtful parents deciding, perhaps because they have not had the education or do not have the understanding, that they will feel better if their children are indoors rather than outside playing.

Let us also remember that in a big city such as London a greater proportion than ever of our children live in flats, maisonettes and other accommodation without a back garden. As a child, if I was not out, I spent most of the day in the back garden, on the swing, climbing trees and shouting at my brother, but many children in my constituency are trapped in flats and it is not obvious to their parents where they can be allowed to play safely.

Andrew Bingham: That is a good point. We talked briefly about video games. Does the hon. Lady think that the advent of Wii Fit-type games is beneficial? I have seen young people playing them, and they involve a lot of jumping around and so on, which I suppose is a form of exercise, at least.

Ms Abbott: Far be it from me to advertise any particular product in this Chamber, but Wii Fit games are perhaps better than PlayStation games.

Mr Simon Burns: I have been listening carefully to the hon. Lady, who is making some valid points. The danger has to do with not simply the age of computer games but the age of television before that. For some parents—this is a generalisation—the easy option is to let their children spend hours watching television or playing games, because it involves less effort on the parents' part. One must try to educate people that that is not only an easy option but an unfair one.

Ms Abbott: I am loth to agree with the Minister, but I think that he is right on that point. A particular interest of mine is the education of urban children and the challenges of getting them to achieve their educational potential. As part of working with parents, especially in urban communities, we must teach them that just putting their children in front of a television set is not necessarily the best thing for their health or their education.

I agree entirely with what has been said about exercise and sport, but we also need a particular focus on girls and exercise. Statistics show that girls give up exercise younger; after they leave school, they do not continue to exercise, as boys do. I was interested to hear about, was it ice hockey—

Justin Tomlinson: It was an ice-skating disco on Friday nights.

On the point about getting more girls involved, that is why I proposed merging youth and leisure services to identify opportunities. Girls, in particular, follow what is on television. If street dance, cheerleading or football is popular, let us provide those services and facilities, and they will come flocking.

Ms Abbott: I agree. That is the point that I was going to make. We need to be more innovative in the sorts of game that we encourage and make available to children. Girls do not want to play ping-pong, because they are quite self-conscious physically, but they will do things such as breakdancing and ice skating.

As other Members have said, we have a generation of parents, especially in inner cities, who do not know about food, have only the dimmest idea of where some foodstuffs come from and do not know how to cook. Because they are bombarded by advertising for processed food, when they whip out a ready meal from Marks and Spencer, it is not just idleness; they think that they are being good parents: "Look, I'm getting you something from Marks and Spencer which is advertised on the television." We should work with communities and parents to educate them.

In my view, the Government obesity policy's reliance on responsibility deals is a little problematic. Common sense suggests that companies that make billions of pounds every year peddling fizzy drinks and foods larded with trans fats will not seriously undermine their profits by genuinely trying to change the public's eating habits. Although we must applaud the Government for whatever progress they think they have made with responsibility deals, we must go beyond them as they are currently fashioned if we are to stop the epidemic of obesity among our young people.

To return to the Government's obesity strategy, the message from health professionals, key health groups and experts is clear. We need tough action now and a proper long-term strategy to stem the rising tide of lifestyle-related diseases. Jamie Oliver, probably the single most famous person in public health, has said in the past few weeks that this Government's obesity strategy is

> "worthless, regurgitated, patronising rubbish".

As usual, he was not pulling his punches. Terence Stephenson, president of the Royal College of Paediatrics and Child Health, said that the Government's plan

> "has no clear measures on how the food and drink industry will be made to be more 'responsible' in their aggressive marketing of unhealthy food…Suggesting that children in particular can be 'nudged' into making healthy choices, especially when faced with a food landscape which is persuading them to do the precise opposite, suggests this would be best described as a call to inaction."

Which? executive director Richard Lloyd said that the Government's approach to tackling obesity was

> "woefully inadequate…The Government calls on people to cut down the calories they eat, but isn't giving them the tools to do so."

Charlie Powell, campaigns director of the Children's Food Campaign, said:

> "This is a deeply disappointing and utterly inadequate response which represents a squandered opportunity to address the UK's obesity crisis."

There is broad agreement in the House about the issues that we must address. It is a mix of issues; there is no silver bullet. Better labelling of food, including in restaurants and cafés, is part of the answer. Fashioning a sport offer for young boys and girls is crucial, as is better education and working with parents and communities.

I would like to say a word about gastric bands. We read an enormous amount about them, particularly in relation to celebrities. As a Conservative Member said, there are cases, if people have tried everything else, where a gastric band might be the answer, but I deprecate the promotion of gastric bands without some of the measures that we have discussed if that suggests to people that they can eat whatever rubbish they like because, at the end of the day, the NHS will pick up the tab for a gastric band. That is not the way forward, either for costs in the NHS or for people's quality of life. I have read about people who, having got gastric bands, proceeded to liquidise fish and chips so they could continue to enjoy their favourite junk food. That suggests that a gastric band, in itself, is not the answer to the underlying issues.

I hope that, in his winding-up speech, the Minister will address the serious concerns raised about the Government's obesity strategy by a wide range of stakeholders and specialists. I look forward to hearing what the Government plan to do further to address the growing epidemic of obesity among our young people.

3.47 pm

The Minister of State, Department of Health (Mr Simon Burns): It is a pleasure to serve under your chairmanship, Mrs Riordan, during this extremely interesting and thoughtful debate, to which there have been a number of erudite and imaginative contributions across the range.

I congratulate the hon. Member for East Londonderry (Mr Campbell) on securing the debate and giving us the opportunity to discuss one of the major public health issues of modern times. He has spoken repeatedly on the subject in the House and should be congratulated on doing so. He knows, of course, the scale of the problem. Most adults in England, 61%, are overweight. Sadly, one third of those are clinically obese, giving us one of the highest obesity rates in the world. As for children, almost a quarter of four to five-year-olds are overweight or obese, rising to one third in 10 to 11-year-olds. I am sure that we all agree that those figures are genuinely shocking. The hon. Gentleman will be aware that the scale of the problem in Northern Ireland, to which he alluded during the course of his remarks, is similarly daunting, with 59% of adults and 22% of children overweight or obese.

As recently as the 1980s, obesity rates among adults were a third of what they are now. Although figures for the last few years show that levels of obesity may be stabilising, that is simply not good enough, because excess weight has serious consequences for individuals, the NHS and the wider community. Not only does it cause day-to-day suffering such as back pain, breathing problems and sleep disruption, but it is a major risk factor for diseases that can kill. An obese man is five times more likely to develop type 2 diabetes, three times more likely to develop colon cancer and two and a half times more likely to develop high blood pressure than a man with a healthy weight, and women face equally serious risks. That is not to mention liver disease, heart disease, some cancers and miscarriages, all of which are linked to excess weight.

Although the real and present danger of obesity in terms of immediate health risks is seen largely in adults, obesity also has significant effects on children and young people, as many hon. Members have mentioned. Obese children are likely to suffer stigmatisation, and there are growing reports of obese children developing type 2 diabetes. We also know that if a child is obese in their early teens, there is a high chance that they will become an obese adult, with related problems later in life.

As waistlines expand, so does the amount of money that we spend on the issue. As a number of Members have said, excess weight is a burden of approximately £5 billion each year, and costs billions more through days of work and incapacity. Neither can we ignore the link between obesity and health inequalities. Data from the national child measurement programme show a marked relationship between deprivation and obesity. The Marmot review in 2010 showed the impact that income, ethnicity and social deprivation have on someone's chances of becoming obese. As things stand, the less

[Mr Simon Burns]

well-off a person is, the more likely they are to be carrying excess weight, so we are talking about an issue of social justice, as well as a narrow health issue involving exercise and healthy living.

The hon. Members for East Londonderry and for Hackney North and Stoke Newington (Ms Abbott) both asked, in effect, whether the Department of Health should work with companies that produce and sell products that contribute to the nation's obesity and alcohol problems. Up to a point, it is the responsibility of the individual how much they consume and what they consume. How do we make sure that people know what they are eating—the calorie, salt and fat content and so on? To my mind, that means clear, easily understandable labelling, and education about what is healthy and what is the best approach.

On the narrow point of the issue mentioned by both hon. Members, improving the health of the public is clearly a priority for the Government, but we need a whole-society approach to tackle the health problems caused by poor diet, alcohol misuse and lack of exercise. To change people's behaviours, we need to make the healthier choices the easier choices for everyone.

Commercial organisations have an influence on and can reach consumers in certain ways that Governments cannot. They have a key role in creating an environment that supports people to make informed, balanced choices that will enable them to lead healthier lives. Through their position of influence, they can address some of the wider factors that affect people's health, such as how healthy our food is and how easy it is to access opportunities to be more physically active. Through the work on the public health responsibility deal, despite what the hon. Member for Hackney North and Stoke Newington has said, we are tapping into that unrealised potential to help improve the public's health.

Ms Abbott *rose—*

Mr Burns: I will give way in a moment. It is also important to say that, if we can get an agreement with commercial companies to change the way they behave and some of their practices, it will be far quicker to achieve that and put it in place than to wait for the heavy hand of Government legislation, which can take a minimum of a year and sometimes years. Why wait for the heavy hand of legislation that might take a long time, if we can get a voluntary agreement that will work quicker and more effectively to start dealing with the problem?

Dr Poulter *rose—*

Mr Burns: I will give way to the hon. Member for Hackney North and Stoke Newington first, because I promised her, then my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter), and then I will make progress.

Ms Abbott: On changing commercial practices, when will the Government do something about the practice of so many supermarkets whereby they place rows of sweets next to the checkout? If a parent has fought off their children and not bought sweets on their way around the supermarket, the children then have 10 minutes to whine while the parent waits to pay for their shopping.

Mr Burns: I understand the hon. Lady's point, because the charge has been made on a number of occasions and I have considerable sympathy with it. The supermarket at which I shop each week—I shall not name it, because I do not want to advertise for it—does not do that any more. I think that the hon. Lady will find that, throughout the country, the responsible supermarkets have stopped that practice, for the very reasons that she has mentioned.

Dr Poulter: Does my right hon. Friend agree that we need to be careful about introducing regulation for alcohol and other relevant products? It could be a very crude measure and have unforeseen consequences. For example, on alcohol, we may be concerned about the cheap sale of white cider, but the bigger issue is that introducing legislation may impact on brands that market themselves responsibly to responsible drinkers. We have to be careful about that sort of thing.

Mr Burns: My hon. Friend makes a valid point.

I will address a number of issues that some of my hon. Friends have raised. My hon. Friend the Member for Totnes (Dr Wollaston) talked about the important issue of weighing and measuring children. I hope that she will be reassured by the national child measurement programme. It measures children in reception class—four to five-year-olds—and in year 6. Those measurements and weights are fed back to parents, so that they can not only know the information, but make informed choices about the lifestyles of their children.

My hon. Friend the Member for North Swindon (Justin Tomlinson) made some valid and good points about the planning regime and open spaces that enable parents and children to exercise. His points were well made and sensible. It would be worthwhile for local government, which has responsibility for the issue, to read what he has had to say, particularly, as the hon. Member for Hackney North and Stoke Newington has said, because certain inner-city areas do not have the advantages of some of the more rural and smaller town constituencies, which have far more access to open spaces.

As a Government, our general approach to tackling the problem is based on the latest scientific evidence on the underlying issues and causes of obesity, as well as what has worked best previously. Ultimately, there is a simple equation: people put on weight because they consume more calories than they need.

Nick Smith (Blaenau Gwent) (Lab): Will the Minister give way?

Mr Burns: No, I will not, because I have only three minutes. People need to be honest with themselves. We need to recognise that we are responsible for controlling our weight. That means eating less, drinking less and exercising more.

We are also calling on the food and drink industry to play a much bigger role in reducing the population's calorie intake by 5 billion calories a day, to help close the crucial imbalance between energy in and energy out. That will build on commitments that businesses have already made, through the public health responsibility deal, on things such as eliminating trans fats, reducing the amount of salt in food, and proper calorie labelling.

Of course, it is for each of us to make our own decisions about how we live our lives. The best and most sustainable changes come not when people are ordered about, but when they are given the tools to change, given the justification and then take responsibility to do it themselves. That is why we need to work together to make sure that the healthier choices become the easier choices. Everyone has a role to play—the food industry, the drinks industry, the many organisations that encourage physical activity and sport, employers who can support the health of their employees, and the local NHS staff in talking to people more about obesity and its consequences.

Under the new public health system, local leadership will be critical. We want to move away from the days when legislation and demands came down from Whitehall like thunderbolts from Mount Olympus. Local authorities will be supported by a ring-fenced budget and will bring together local partners, including the NHS, to provide the most effective services for their communities. We will support local people and local authorities by making sure that they have access to the best possible data and evidence.

We will not shirk our duty to provide national leadership where it is necessary—by working, for example, with business and non-governmental organisations, and making sure that Government Departments work together in supporting better health. That is already happening. The Department for Transport is providing more than half a billion pounds of funding for local authorities to increase sustainable travel such as walking and cycling. The new teaching schools programme, led by the Department for Education, will explore how schools can support and encourage children's health and well-being. We will also continue to try to inspire people, young and old, to embrace a healthy, active lifestyle, via, for example, Change4Life. Moreover, the London Olympics, as many of my hon. Friends have mentioned, give us the golden opportunity to perpetuate that legacy after they have finished.

The new national ambitions provide a clear goal that we can all aim for. We should all play our part in raising awareness. Once again, I congratulate the hon. Member for East Londonderry on securing this debate, and I hope that he sees the benefits in our strategy. I hope that he supports it and that he will continue to be an advocate for his constituents on the matter.

Mrs Linda Riordan (in the Chair): Order. Mr Bryant has withdrawn his debate, so the sitting is suspended until 4.30 pm.

4 pm

Sitting suspended.

Fire Service (Halesowen and Rowley Regis)

4.29 pm

James Morris (Halesowen and Rowley Regis) (Con): It is a great pleasure to serve under your chairmanship, Mrs Riordan. I thank the Minister for being here to listen and respond to the debate, and for being so open and accessible when I have contacted him about this issue.

I applied for this important debate because, unless the Minister is able to come to our aid or the West Midlands fire and rescue authority can be persuaded to reject the proposals put to it by the West Midlands fire service, the fire service in my constituency is threatened with extremely deep cuts. I will offer a brief summary of how we got to this point.

In 2008, the West Midlands fire service conducted a comprehensive review of its operations to improve its effectiveness and to ensure that resources were best deployed to maximise the level of fire cover across the county. The review recommended that a number of fire stations should be merged, while maintaining the same number of fire engines and crews across the county, to offer a more effective service. Among its proposals, the review recommended that the two fire stations located in my constituency, Halesowen and Cradley Heath, should be merged with a new fire station built at a suitable location between the two towns.

The proposals were put out for consultation at the end of 2008, and a large number of responses were received from different sections of the community. Despite strong opposition to the proposals to replace the two existing fire stations with a new fire station, including a strong campaign mounted by the Fire Brigades Union and submissions from Labour-run Sandwell council, the fire service decided to press ahead with the proposal and the merger was agreed by the fire authority in February 2009.

Although the fire service did not change its plans to merge the two fire stations, it did agree to modify its proposal in one important way following the consultation exercise. The review originally proposed that instead of having one 24-hour pump located at each of the two fire stations, the newly merged fire station should have one 24-hour pump and one 12-hour pump. Following the consultation, that proposal was changed and it was agreed that there should be two 24-hour pumps at the new fire station. That proposal was agreed by the fire authority in February 2009.

After the fire authority's decision, not much happened. In fact, with regard to the two fire stations in my constituency, nothing happened at all. While the review's proposals were implemented in other parts of the west midlands, the fire stations in Halesowen and Cradley Heath continued to operate as before. To all intents and purposes, it appeared that the proposal had at the very least been put on the back burner. The first indication that the plans might be back on the table came when the chief fire officer wrote to me last December to lobby me on the local government finance settlement. He said:

> "I will do everything possible in order not to close your local fire stations—but at this level of cuts I see some closures as an inevitability."

The first time that the proposal was publicly resurrected was this summer, when the West Midlands fire service announced that it would press ahead with the decision

[James Morris]

to merge the two fire stations. However, when that was formally announced, it became clear that the fire service intended to implement only parts of the decision agreed in February 2009. Whereas the 2009 decision explicitly stated that the two fire stations would be replaced by a new fire station that would be built between the two existing stations, the proposals that the fire service now intends to implement could see the fire stations replaced by a rented industrial unit somewhere in the area, or—as seems to be the favoured option—the merged fire station would actually just be Cradley Heath fire station.

I hope that you will not think that I am overly pedantic, Mrs Riordan, if I suggest that closing one fire station and moving the service it provides to another fire station is a very different proposition from building a new fire station to cover both areas and locating it between the two towns. Back in 2009, the fire authority accepted that distinction. In its response to the consultation, the fire authority dismissed suggestions that Cradley Heath could serve the whole area. It said:

> "Cradley Heath fire station was built in 1942. It is a cramped old fashioned building with no training facilities and it has been the intention to replace the station for some years. There will be significant costs if the Authority attempts to maintain the station on the present site. The Authority believes that the risks in the areas covered by the existing Cradley Heath and Halesowen fire stations will be better served by having a combined new fire station located between the two existing sites."

That is as true now as it was in February 2009.

While the physical presence of a fire station in a town is of enormous emotional importance to local residents, and having a fire station locally has significant practical benefits, I recognise that there is some truth in the argument used by the fire service that fire stations do not put out fires—firefighters do. That is why I am even more concerned that, having agreed to preserve two 24-hour pumps in 2009, West Midlands fire service is now proposing that that provision should be halved and the new—or perhaps not so new—merged fire station would have only a single pump to serve the area. That clearly has grave implications for the level of fire cover available in my constituency.

Unlike the 2008 review, the new proposals are not part of a comprehensive assessment of the needs of the county and how best to deploy resources to provide the best possible level of cover in all areas. This summer's proposals would affect only Halesowen and Cradley Heath, thus reducing the service in my constituency. Clearly, like all services, the West Midlands fire service has had to bear a share of the savings needed to reduce the deficit that the Government inherited. Indeed, because the West Midlands fire service has set a much lower council tax precept than other parts of the country, the overall impact of the local government finance settlement is even greater in the West Midlands than in other metropolitan fire authorities. I urge the Minister to bear that in mind when considering the settlement for future years to ensure that metropolitan fire authorities in general—and the West Midlands in particular—are not forced to make deeper savings than can possibly be afforded without significant front-line cuts.

While there are significant financial pressures on the fire service, it seems that Halesowen and Cradley Heath are expected to carry a disproportionate share of the burden to produce the required savings. As I have said, my constituency is the only area in the county to face a reduction in the number of pumps through these proposals. As I explained earlier, the West Midlands fire authority recognised in 2009 that it was not appropriate to reduce the number of pumps covering the area from two to one and a half, yet the fire service is now proposing that, instead of sharing the burden across a number of stations, the number of pumps in my constituency should be cut from two to just one. It would seem to be basic common sense—something on which my constituents pride themselves—that either the decision to preserve two full-time pumps in 2009 was extraordinarily wasteful or, as local residents suspect, reducing cover to just one single pump represents a serious risk to the local community.

Although the fire service points to the relatively low number of call-outs from the two stations, the local community does not believe that those statistics tell the whole story. Halesowen fire station is close to junction 3 of the M5, and helps to cover call-outs to the motorway network. With the weekend's tragic accident in Somerset, we saw again just how important it is that our motorways are properly covered by the fire service network.

Halesowen town is changing. The reduction in the number of incidents over recent years is partly the result of effective fire prevention, but is partly due, too, to a decline in the local manufacturing industry. New growth in the town is changing that, but although the new hotel, supermarkets, fast-food restaurants and petrol stations provide a vital boost for the local economy, there is no doubt that they represent a greater demand for the local fire service that did not exist when the review was conducted in 2008. It therefore seems folly on the part of West Midlands fire service to propose deep cuts to the service in Halesowen precisely when demand could be about to rise.

Although there was significant local disquiet about the 2009 decision, the case could at least be made that it was being done to improve the quality and efficiency of the service—my predecessor broadly accepted that argument. However, the new proposal to cut the number of fire stations and fire engines can only be seen as a reduction in service. There is a great deal of opposition to the proposals in my constituency, bringing together the unlikely alliance of a Conservative Member of Parliament, all local political parties and the Fire Brigades Union. The FBU held a well-supported rally in the town centre, and petitions against the proposals have collected more than 1,000 signatures.

Under the Local Government Act 2010 and the Fire and Rescue Services Act 2004, fire authorities, as best-value authorities—

4.42 pm

Sitting suspended for a Division in the House.

4.52 pm

On resuming—

James Morris: As I was saying, under the Local Government Act and the Fire and Rescue Services Act, fire authorities, as best value authorities, have a responsibility to consult the public effectively. They must also ensure that consultations comply with guidance from the Secretary of State. This week's High Court decision on the Royal Brompton hospital serves as a reminder of the importance of ensuring that public consultations, particularly on service closures, are conducted effectively and fairly.

When the new proposals were announced in the summer, the West Midlands fire service said that as the decision to merge the fire stations had already been agreed, it was necessary to consult only on the staffing changes. The Minister has extensive experience of local government and knows how a competent consultation process should be conducted. It is questionable whether a three-year-old consultation exercise holds much value in the best of circumstances. However, it surely cannot be right to claim that a decision taken on the basis of a three-year-old consultation process remains valid, but then choose selectively to implement only parts of that decision. Either the 2009 decision should have been implemented in its entirety, or there should be a new, comprehensive review of the fire service's operations, so that a proper judgment can be reached on how resources should be allocated in order that the service complies with its obligations under the national framework. Even the chief fire officer accepts that the consultation has "not been ideal". But for parliamentary protocols, I would be tempted to use somewhat stronger words.

There is a real threat that unless the Minister can intervene or the fire authority recognises that the proposals before it have not been properly thought through, my constituents will find themselves with a much-reduced service that is radically different from anything on which they have been consulted and that represents a significant risk to the community.

To conclude, I shall ask the Minister three questions. First, can he provide detailed assurances that the process followed by the West Midlands fire service is consistent with its statutory obligations to consult and to minimise risk? Secondly, will he work with the Secretary of State to draw up clear best practice guidance for the minimum standards required of fire authorities' consultation procedures? Finally, given the shortcomings in the way in which the fire service has consulted the public and other stakeholders—shortcomings recognised by the chief fire officer himself—does the Minister agree that the best course of action would be for the West Midlands fire service to withdraw its proposals, so that a full and comprehensive review can be conducted of how the service's resources can best be deployed to provide the fire cover that my residents require?

4.55 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is a pleasure to speak under your chairmanship, Mrs Riordan. I congratulate my hon. Friend the Member for Halesowen and Rowley Regis (James Morris) on securing the debate. I am very glad that he has done so. It is on an issue in which he has taken a very considerable interest and on which he has been campaigning for some time. I am grateful to him for the care that he has taken in providing me and my officials with information about this matter, and for the concern that he has shown for his constituents in seeking a constructive meeting with me, which we had earlier.

I understand my hon. Friend's concern about service provision in the west midlands. There is no doubt that fire stations provide a vital community safety and protection service. Of course, the pumps stationed in them are important, too. Running up the stairs to get back to this debate in time after the Division, I was reminded that they often carry defibrillators as well, because I thought I might need one at one point. Joking apart, these are life-saving, front-line services, and it is right that communities are sensitive about their placement.

Fire and rescue authorities have successfully improved the safety of their local communities in recent years. The number of fire deaths has halved in the past 20 years, and there has also been a fall in the number of fires, so there have been real achievements. That is the background. We recognise the very strong commitment that my hon. Friend has to his local service. However, we have to step back a little and see what the appropriate use is of the Secretary of State's intervention powers and what the appropriate means are of dealing with the issues of controversy in this case. The Government, like their predecessor, are of the view that fire services are best delivered locally. The Government's own commitment to localism reinforces that. It involves decisions about local deployment of services generally being taken at local level.

In the case of fire and rescue services, the democratically accountable fire and rescue authorities are the bodies charged with that responsibility. Those authorities are required by the national framework to produce and regularly update an integrated risk management plan, which identifies and assesses local need and sets out plans to mitigate effectively both existing and potential or future risks to communities, because of course those can change as a result of demographics and other matters. It is therefore a very localist process that has been built into the system with the IRMP. Each fire and rescue authority's IRMP should enable the local authority to decide how best to provide the services. That includes prevention and protection, as well as the service provided by the stations and the placing of the pumps themselves. Strategic and operational matters, such as the manning and hours of operation of stations, and cross-border arrangements can and should be taken into account in considering the IRMP

It is against that background, as I understand it, that West Midlands fire authority has proposed to change the fire cover arrangements in Halesowen and Cradley Heath. I am advised that those proposals have been made in the light of both the assessed risk and the available resources. The matter is of local controversy, as my hon. Friend fairly says. I am aware that the proposals have generated a great deal of debate. In one respect, the debate is a healthy one—the community is obviously concerned about the proposals, and it is speaking up about them and engaging the fire authority. It is much assisted by the work of my hon. Friend, for which I commend him.

I understand that there are concerns about the adequacy and transparency of the consultation on the proposals. The question, however, is whether those concerns justify the use of the Secretary of State's intervention powers under section 22 of the Fire and Rescue Services Act 2004. My hon. Friend has recited the criticisms made about the consultation, which relate to the adequacy of the up-to-date assessment and whether using a consultation from some time ago is appropriate.

The intervention powers are designed to deal with the worst cases of systemic or corporate failure of fire authorities. The 2004 Act is framed in that way. Section

[Robert Neill]

21 charges authorities to have regard to the national fire framework in carrying out their functions. The framework expects that there shall be proper consultation on service changes, but it does not specify in detail the means that such a consultation should take. However, we expect fire and rescue authorities to work in partnership with their local communities on such matters.

The powers of intervention under section 22 are designed to deal with failing authorities as opposed to failures of a particular decision process or a decision on a particular proposal. That is analogous to the situation in Haringey with the case of Baby P, where there was such a degree of failure that the system was not operating at all. On the evidence that we have, the situation raised by my hon. Friend does not seem to come into that category. Our policy approach on Government intervention in a failing authority is set out in that way.

We have set out our expectation that, where there are failures with an authority, first of all, the authority, working with its political and professional leadership, will put in place processes to seek improvement. That should normally be the means of dealing with a situation. Where that does not happen, the powers of the Secretary of State under section 22 would be invoked. They are used only for the most serious failings. Under those circumstances, the Secretary of State may give certain directions to an authority.

On what I have heard, that does not seem to be what we, as yet, have here. The authority has been advised by its professional advisers and the chief fire officer. The decision, which has not yet been taken, is one for the members of the fire authority, who are all elected councillors in their area. Like any local authority, a fire and rescue authority must act in Wednesbury reasonableness in its decision making, and it is therefore susceptible to judicial review. Generally, failures of process and of consultation relating to individual decision-making processes tend to be remedied by applications for judicial review rather than by the Secretary of State's intervention.

Whether such a review is appropriate in this case is not for me to say, because it is not for the Secretary of State or his Ministers to comment on the merits, or otherwise, of a particular application; I am sure that my hon. Friend understands that. I think that that point is reinforced by the reference in his speech to the case of Royal Brompton hospital, in which a judicial review was seen to be the appropriate route. Section 22 of the 2004 Act does not envision that the merits, or otherwise, of an individual decision should normally be of such a magnitude as to trigger the intervention powers. Against that background, an intervention under section 22 does not seem to be appropriate.

It is worth saying a little about the funding of West Midlands fire authority, since my hon. Friend made reference to that. It is fair to say that, like all local authorities, West Midlands fire authority and other fire authorities have had to take their share in our efforts to reduce the deficit. However, taking into account its other sources of funding, such as council tax precepts, reserves and its formula grant, the overall reduction in the spending power of West Midlands fire authority is 5.6% in 2011-12 and 2.2% in 2012-13, which is the same as nine other single purpose fire authorities.

As West Midlands fire authority is one of the largest authorities in cash terms—perhaps the largest outside London—the reduction is a large one. However, it receives the largest protection of all such authorities from the floor damping system, which is part of the formula grant mechanism. It will receive £5.2 million in 2011-12 and £3.58 million in 2012-13, which is more than their needs indicators would allocate if the Secretary of State had not applied the damping. It is also worth noting that West Midlands fire authority receives £27 formula grant per head, compared with the shire average of £20. If anyone were to suggest that funding alone were a necessary trigger for the changes, I would suggest that the figures do not bear that out. That is not my hon. Friend's contention, but that might be said in other quarters. It is also worth bearing it in mind that West Midlands fire authority has benefited from an 82% increase in capital grants on the previous year, which brings it to £2.9 million. How the authority disburses the resources is a matter for the authority, acting on the advice of its chief fire officer.

I am sorry that I am not able to give my hon. Friend all the detailed assurances that he is seeking. We have generally not sought precisely to identify a statutory form of consultation, for the reasons that I have set out—other remedies best apply. As yet, I do not see a situation in which the authority can be said to have acted in breach of its statutory duties under the 2004 Act, because action in accordance with the IRMP, on the face of it, tends to indicate compliance. However, a Minister is not in the best position to judge every detail of the case. As such matters are devolved to local authorities, it is not appropriate for the central Government to advise on the best course of action. They are right to set out the legislative framework, what the remedies are, and the facts, as far as are available, to all those concerned.

That is why I urge my hon. Friend to continue to raise the issues with West Midlands fire authority. I know that he has been in regular contact with the chief officer, the chair of the authority and the other elected members, who include elected members representing the metropolitan borough in his constituency. They are rightly to be held accountable to their electorate for their decisions.

Although the door is always open, I do not want to raise expectations at this stage that the—if I may put it this way—ultimate long stop of statutory intervention power is necessarily the appropriate route in this case. However, I hope that the members of the fire authority and their advisers will listen to my hon. Friend's carefully and cogently made points. He makes a reasoned case, particularly on some of the issues that he raised about consultation, timing and how up to date the information is. However, as things stand, the matter is for the fire authority and its advisers.

Question put and agreed to.

5.8 pm

Sitting adjourned.

Westminster Hall

Thursday 10 November 2011

[JOHN ROBERTSON *in the Chair*]

BACKBENCH BUSINESS

Social Care Funding

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Vara.)*

2.30 pm

Sarah Newton (Truro and Falmouth) (Con): It is a pleasure to speak under your chairmanship, Mr Robertson, as it will be to speak under Mr Bone's chairmanship later. I thank hon. Members for coming along to the debate. Given the importance of the debate in the main Chamber on armed forces personnel, the level of support in this Chamber shows how important this topic is to our constituents and to people throughout the country.

The question of who pays for care has vexed politicians for decades. There has been no shortage of good ideas, based on evidence garnered from the many Government reviews and commissions over the years, but there has been a failure in political will, resulting in only limited action being taken. However, demographic change and its impact is now an issue moving rapidly up the political agenda. All parties have signalled a desire for a long-term, all-party solution to the care crisis. It is clear that now is the time for us to take action.

During the debates on the Health and Social Care Bill, there was little dissent from the view that the integration of health and social care is a good thing. In the Budget debate, there was no opposition to NHS money being given to councils to integrate services. The Care and Support Alliance, made up of more than 52 major organisations representing older and disabled people, those with long-term conditions and their families, has come together to support reform. Polling evidence from ICM last year showed that 62% of the public saw care reform as one of the most important issues for the Government to focus on, and more than 50% of people felt that political parties were not doing enough to work together to improve care for older people. There is therefore a clear mandate from the people whom we represent to work together to find solutions to the problems.

The coalition Government clearly understand, and are committed to reform. They set up the Commission on Funding of Care and Support under the leadership of Andrew Dilnot, who was supported by Lord Norman Warner and Dame Jo Williams. Their report, published in May, described the care funding system in England as "not fit for purpose" and needing "urgent and lasting reform". From our constituency work, we all know that there is great uncertainty and that people are worried about the future, but most people are realistic. Just as they know that they should save for their old age, they know that they will need to make contributions to the cost of their care in later life. They crave a clear path, set out by the Government, that shows them how the costs will be fairly borne—how they will be divided fairly between themselves and the state. Above all, people want to be relieved of the fear and worry about the availability and quality of care as well as how they will pay for it should they need it.

Penny Mordaunt (Portsmouth North) (Con): I congratulate my hon. Friend on securing the debate. Does she think that our constituents are also ambitious about what they want care in the future to look like, and that the challenge for the Government is not just about finding ways to fund what currently goes on, but about considering how we meet the massive unmet need in dementia care, for example? I am thinking of bathing facilities and all the other things that we want our constituents to have but that too many of them do not have access to at all.

Sarah Newton: My hon. Friend makes an excellent point about the fact that there is inconsistency across the country in the quality and type of care available. The best care, which some people experience, should be available for everyone. We all want that for our constituents. As people in their 50s grow older, they will have far greater demands, which will be different from those of the generation now in their 90s or over 100. They will be looking to technology and innovation to come up with a range of services that will support them in leading life to the full, and in living healthily and productively as part of society, for as long as possible, so I agree with my hon. Friend's point.

We know from our debate in this Chamber last week on the quality of care that elderly people experience in some parts of the NHS and from other care providers that the vast majority of people of all ages want elderly people and people with disabilities to be shown far greater kindness and respect. The commission says that the main failings of the current system are that it is confusing, is perceived to be unfair and is unsustainable.

Glyn Davies (Montgomeryshire) (Con): I thank my hon. Friend for allowing me to intervene, particularly as I have indicated that, unfortunately, I cannot stay for the whole debate, which I had wanted to do. I hope that we can emphasise the point that as people are living much longer, it is an exponential curve. The incidence of dementia and Parkinson's disease means that the need is far greater than a simple look at the graph would suggest. The cost is going to just take off. We need a Government policy that deals with that and recognises the huge changes that we will face.

Sarah Newton: My hon. Friend makes a very good point, reminding us that people are living much longer, because the causes of mortality that prevented people from living so long in the past—especially cardiovascular disease and some cancers—are now more survivable, so people suffer from other conditions, which are sometimes far more complex to live with and to treat, especially diseases such as dementia and Parkinson's. The fact that people are living well into their 80s and 90s and beyond 100 presents new challenges for the NHS and a range of other services—indeed, for society as a whole—so my hon. Friend makes a very good point.

The commission goes on to say that most people are unable to plan ahead to meet their future care costs. Assessment processes are unclear. Eligibility varies according

[Sarah Newton]

to where people live, and there is no portability if people move between local authorities. The provision of information and advice is poor, and services often fail to join up. All of that means that people and their families often do not have a good experience.

Neil Carmichael (Stroud) (Con): My hon. Friend is absolutely right in what she has said. One of the key tools is integrating the NHS with social care, so that we can have a much more seamless approach to caring for people, and they understand where they can go for support. I am talking about breaking down the unnatural barriers between local areas, as well as about the funding that is necessary and a more transparent understanding.

Sarah Newton: I am sure that that is right. It is certainly a point that the Dilnot commission and people who have responded to it have made. They are very supportive of the Government's plans to integrate social care with the health service.

It is a major worry for most families that they cannot protect themselves against the very high costs of care. As my hon. Friend the Member for Montgomeryshire (Glyn Davies) pointed out, looking after people with dementia can involve very considerable costs. However, the availability and choice of financial products to support people in meeting care costs is limited.

Fiona Bruce (Congleton) (Con): Does my hon. Friend agree that one of the highest priorities for the allocation of funds should be to support those families who care for elderly relatives at home? They often make great sacrifices and incur great costs. We must ensure that we give them the recognition and appreciation that they deserve, and one way in which we can tangibly do that is by ensuring that they have clear access to support from funds. Often, a very small amount of funding can make a big difference to those families and can ensure that they are able to continue caring for their relatives in their own homes for much longer. Should we not be treating that as a priority?

John Robertson (in the Chair): Order. That was a very long intervention.

Sarah Newton: My hon. Friend the Member for Congleton (Fiona Bruce) makes her point very passionately, as she always does, in standing up for the family. Of course, it is the family who take full responsibility in most cases for the care of elderly people, but we must remember that the funding of adult social care is also available for adults living with disabilities. Families are the foundation of all care at the moment. I am sure that, with the Government's support, they will continue to be the core building block of the care system. She is quite right to raise that issue so that we can all show appreciation for the huge army of people who are quietly getting along each day to provide invaluable support to their loved ones.

The commission made a series of key recommendations. I cannot do justice to the report in the time that I have available, but to help our debate, I will summarise them briefly. The major one is to cap the lifetime contribution that an individual needs to make to adult social care costs to £35,000. Not everyone will be able to afford to make a personal contribution, so the commission recommended that means-tested support should continue and that the asset threshold for those in residential care, beyond which no means-tested help is given, should increase from £23,250, as it is today, to £100,000. Those who enter adulthood with a care and support need should immediately be eligible for free state support.

The commission also recommended reconsideration of the existing benefits that support the elderly. People should contribute to their living costs, which the commission estimated as between £7,000 and £10,000 a year. It recommended that the Government should urgently develop a more objective eligibility and assessment framework and that they should encourage people to plan ahead for later life with an awareness campaign, and develop a major new information and advice strategy to help people when the need for care arises. Carers should be supported by improved assessments, which should take place alongside the assessment of the person being cared for. Finally, the Government should review the scope for improving the integration of adult social care and other services, such as NHS services and housing, to deliver better outcomes for individuals and better value for the taxpayer.

The commission's report was met by a broad coalition of support from a wide range of stakeholders and was warmly welcomed by all political parties. That contrasts with the acrimonious debates on the issue during the general election campaign. Since the report's publication, the Department of Health has committed to consult on the recommendations and to consider other important recommendations proposed by the Law Commission.

The Government have recognised that they must take urgent action to address the current funding issues. While real spending on the NHS has risen by £25 billion since 2004, spending on social care for older people and adults with disabilities has simply not kept pace. Figures from the Department show that over the past four years, demand has outstripped expenditure by 9%. Since the coalition came to power, it has clearly understood that that balance in expenditure is wrong. Money for the NHS has been redirected to councils so that they can spend more money to support families, elderly people and adults living with disabilities to live independent lives. Additional money has been allocated for a range of support to enable people to remain safely in their own home and for adaptations that prevent accidents and illnesses that lead to people having to spend time in hospitals.

Heidi Alexander (Lewisham East) (Lab): I congratulate the hon. Lady on securing the debate. She is talking about the additional resources that have been given to councils from the NHS budget. Will she reflect on the scale of cuts that local authorities are dealing with when setting their overall budgets? Does she feel compelled to comment on the claim that that is giving with one hand and taking away with the other?

Sarah Newton: The hon. Lady makes a fair point. We all understand that local authorities have had to make some major decisions about the allocation of resources and their priorities in serving their communities. I am proud of my council in Cornwall, which did not cut one penny from adult social care funding last year. In fact, this year, that funding could increase by £3 million or £4 million, although the council has not yet finalised its budget. It is very disappointing that some councils—although not all—have not used the money for such important purposes. It is estimated that approximately 7% has been cut from adult social care budgets across the country.

We have begun to see the effects of the withdrawal of the key services that the money should be funding, and which have been designated to prevent health problems among older people. The withdrawal is contributing to a far greater pressure on hospital beds. Delays in the discharge of people from hospitals are significantly higher than they were in the same months last year. Over 75% of delayed transfers for acute care are for people aged 75 and over. Research by Age UK and WRVS will be published in the next month or so, and it will provide evidence of the impact of councils not using the additional funds that they have been given by the Department effectively and of the additional pressures that that has put on hospitals and families.

Penny Mordaunt: Does my hon. Friend agree that whatever the size of a council's budget, we need to ensure that it makes best use of the money? Some poor commissioning practices have gone on, discriminating against independent providers such as the Alzheimer's Society and Age UK, which not only do a better job at a lower cost, but can rely on enormous amounts of volunteer and carer support and a whole raft of other stuff. We must ensure that there is a level playing field for those people.

Sarah Newton: I agree. My hon. Friend makes that important point extremely well. Local authorities and the NHS have had a silo mentality on commissioning. Undoubtedly, funds that could have driven up the quality and choice of care to support people have been wasted. I hope that the reforms that the Government are setting in train will overcome those issues. When the health and well-being boards come into play, if they link up properly all the providers in a community and set the agenda for commissioning services to improve health outcomes, they could have a powerful impact and achieve some of the things that my hon. Friend has highlighted.

In this debate, when we are talking about the budgets of the NHS and of local authorities, we must never forget that it is families who care for their grown-up children with disabilities or for elderly family members. Informal carers provide more support than any Government could ever afford to pay for. The most recent research from the charity, Carers UK, estimates that there are more than 6 million carers in the UK. The care and support that they provide to help people remain safely in their own home are valued at a staggering £119 billion per year, which is far more than the annual cost of all aspects of the NHS. Support to carers must be central to the future provision of services. It is informal carers, families and, in the majority of cases, women who worry most about cuts to services that enable them to help and care for their elderly and young family members.

Who pays for care is just one of the questions that the Government's reforms of social care must address. There are issues of quality and regulation of services, training and pay for those working in this sector, as well as choice. The Government's reforms need to look at finding solutions that work for different generations. Young people who will be saving for their old age and auto-enrolled into pension schemes could be incentivised to make an additional contribution each month to an insurance policy that will pay for their care later in life should they need it. The package of reforms developed by the commission has been welcomed by the financial services industry, which sees opportunities to develop new products to enable people to pay for their contributions towards the costs of their care.

The Dilnot commission's package of reforms to support families in their caring responsibilities will require an extra £1.7 billion a year—a figure that will rise with an ageing population. Whether or not the commission's reforms are implemented in part or in entirety, it is clear that more money needs to be found for social care and NHS integration. While I do not underestimate—I am sure none of my colleagues in the Chamber do—how difficult it will be to find that sum during this Parliament, constructive ideas have been given to the Treasury on how that spending commitment could be achieved without increasing taxation or borrowing more money. Consideration should also be given to removing the upper age limit on national insurance contributions, which could raise £3 billion a year, and to further reform to pension tax relief for higher-rate taxpayers.

Fiona Bruce: Should consideration not be given to reviewing the planning regulations when families seek to build extensions to their homes? There are far too few multi-generational homes in this country, yet there are some pedantic planning regulations to which local authorities strictly adhere without recognising the wider value to the community that such extensions can bring.

Sarah Newton: That is a good point and it should definitely be considered by those responsible for reforming planning policies.

We all have an important role to play in building momentum for change, contributing constructive proposals and trying to build consensus for vital change. I hope that this debate provides the Minister with a welcome opportunity to hear the concerns and constructive ideas of hon. Members from all parts of the House as he develops his White Paper.

I was particularly pleased when the Backbench Business Committee allotted me this date for my debate. It is the eve of Armistice day, when we remember all those who have served their country and made the ultimate sacrifice. As there are so few survivors remaining from the first world war, our thoughts and prayers naturally turn to those who are serving in conflicts around the world, particularly in Afghanistan. Many of us will also be thinking of the survivors of the second world war. There are some 11.7 million people living in England today who survived the second world war, and they make up 22.5% of the population. We owe a great debt to that generation for our freedom and for the way of life that we enjoy today. Rationing ended in the 1950s, so that generation really understands what an age of austerity means. For those of us who were born after the war, it is our turn to show not only our respect for them but that we have not forgotten their sacrifice. We must take care of them as they grow older.

[Sarah Newton]

Over the 50 years in which we have enjoyed peace in most of Europe and a growth in prosperity, we have singularly failed to make preparations for the care of that generation. The welfare state was a great post-war legacy. However, there are gaps in funding in the main provisions—the NHS and pensions—as increases in life expectancy have been consistently underestimated. It is essential that we make lasting reforms to the welfare state so that it can deliver on the promise made to the generation that created it.

2.52 pm

Barbara Keeley (Worsley and Eccles South) (Lab): I congratulate the hon. Member for Truro and Falmouth (Sarah Newton) on securing this debate and on the way in which she opened it. I am sure that we all agree with her final comment about caring for those who served in and lived through the second world war. It is important that we not only debate social care here, but ensure that a much wider debate on the current and future funding of social care takes place across the country.

The Dilnot commission was tasked with making recommendations on how to achieve an affordable and sustainable funding system for care and support. No one here today will be able to go into too much detail about the report, but I should like to talk about some of the things that the report confirmed, including things that have been repeatedly said about social care for years. These are some of the key points. The current adult social care funding system in England is not fit for purpose and needs urgent and lasting reform. The current system is unfair and unsustainable. Without reform, it will deliver ever poorer outcomes for individuals and families. The funding of social care is inadequate—people are not receiving the care and support that they need. Indeed, there is an unacceptable level of variation in eligibility for services; we have 152 different adult social care systems. For a number of years, care has been rationed through the fair access to care system, but that system is now seen to lack transparency, consistency and clarity. Assessments for care are not portable. Given the variations in eligibility, the problem causes frustration and worse than that when people needing care have to move to a new local authority.

The provision of information and advice is poor quality and very limited. People struggle to find financial information and advice, and there is little information and advice for carers. While there are significant overlaps between funding streams for housing, benefits, the NHS and social care, the systems that administer them are not joined up, which means that we do not have integration, that we have poor co-ordination and that people have to suffer multiple assessments. Perhaps worst of all—Andrew Dilnot rightly drew attention to this—the system is so complex and difficult to understand that most people do not plan for or think about the future provision of care that they may need. I am sure that many right hon. and hon. Members will have had cases of constituents who thought that social care was free and were shocked when they discovered that it is not and that they will be faced with paying the costs of care.

All those points are a disturbing appraisal of the system of care and support on which millions of people depend because they are frail, elderly or have a disability or long-term condition. We have known about all those problems for some time and I have spoken out on these issues since I came into the House in 2005, with a variety of different people filling the role that the Minister now occupies.

In 2009 and after much consultation, my party brought forward plans to establish a national care service. Given the pressing needs of those people with the greatest care needs, we also passed the Personal Care at Home Act 2010 to provide free personal care at home for the 400,000 people with the greatest care needs. It was not a perfect solution, and I do not think that anyone thought that it was, but it would have provided financial peace of mind to 400,000 individuals and their families.

My party's proposals were treated as political footballs during the general election campaign. There were some regrettable political attacks on the proposals for social care, which was unfortunate.

Glyn Davies: Does the hon. Lady not accept that the way in which those proposals were treated before the last general election was massively damaging? I was not a Member of Parliament then, but I was ashamed of some of the language that I heard coming out of the House. It is wrong to attribute the matter to any particular party. If we are going to deal with this issue properly, we have to set aside that sort of language because it serves no purpose and damages our reputation with the public.

Barbara Keeley: Indeed. As ever with interventions, that was almost the next thing that I was going to say. I was going to say that the whole incident was unfortunate. I am chair of the all-party group on social care and I want to see a consensus built in this Parliament to take forward a solution to the funding of care and support, so I very much agree with the hon. Gentleman.

We must set our minds to the fact that, this time, the debate must be different. We need to build consensus across the parties and across the country. The need for a solution is more pressing than ever. We know that requests for support are increasing. In 2009-10, there were 2.1 million contacts from new clients to social services, an increase of 4% from 2008-09 and of 8% from 2004-05. We also know that many hundreds of thousands of people never have their needs assessed.

At the Health Committee this week, I asked a question of the president of the Association of Directors of Adult Social Services about levels of unmet need. He seemed unable to quantify it. How can we plan for provision of social care if we do not know the levels of unmet need? Research by Age UK showed that 82% of local authorities now provide care only to those with "substantial" or "critical" needs. I am glad to say—I think that the hon. Member for Truro and Falmouth also has a council in her constituency that is perhaps doing a bit better—that my own local authority, Salford city council, is among the 18% of councils in the country that still provide care for those with "moderate" needs.

I welcome the commitment of my Labour council colleagues to try to meet the needs of the more vulnerable members in our communities. I understand how difficult the position is, but I value all those councils that are rightly taking the decision to protect social care. We know that vulnerable people in other areas are not so fortunate. Recent studies by the Office for National Statistics and the Economic and Social Research Council

Centre for Population Change have looked at the issue of unmet need for social care. The centre concludes that, regardless of the data source used

"there is significant unmet need for care among older people."

It gives the example of a group of people aged over 65 who needed help with bathing. Of that group, 66% were not receiving any help with bathing. That example was based on 2008 data. Since 2008, we have had front-loaded cuts to local authority budgets, which will have caused greater levels of unmet need.

My hon. Friend the Member for Lewisham East (Heidi Alexander) referred to local authority budget cuts and now the Association of Directors of Adult Social Services has reported £1 billion of cuts to social care budgets in 2010-11, with a similar or greater level of cuts being predicted for next year. What impact those cuts will have is of concern to us in Parliament.

The NHS Confederation reminds us that when people's needs for social care are not met, they turn to the NHS. The NHS Confederation says that that will mean increasing numbers of unscheduled and emergency admissions to hospital, as well as delayed discharges from hospital. Indeed, recent figures from the Department of Health show that the number of delayed discharges from hospital was 11% higher in September and October this year than in the same two months in 2010. Clearly, delaying discharges from hospital is an expensive solution to the problem of inadequate social care. Indeed, the NHS Confederation says that, without reform, the NHS will ultimately buckle under the pressure of demand from patients who need social care.

The problem of unmet need is getting worse and of course much of the extra burden will fall on unpaid family carers, many of whom are already overburdened. I will cite two examples of unpaid family carers that Carers UK has told me about.

One is Eric from Lancashire, who has cared for his wife, Diane, for 20 years. She has multiple health conditions and needs constant support. Eric had to give up work 15 years ago to care for her full-time. When his local council provided 10 hours of support each week, Eric could get out of the house, have some time for himself, do the shopping and even do some volunteering with local charities. Earlier this year, however, council cuts meant that Eric and Diane's care package was cut in half, despite the fact that Diane's health has not improved. Eric is worried about his own health, because he needs to use all of the time that he has free from caring for Diane, which is now only five hours each week, to run basic errands, and he no longer has any time for himself. We can all imagine how difficult that must be.

The second example is of an unpaid family carer who is in perhaps an even more difficult situation. Joyce, aged 58, cares for her husband Robert, who is 71 and has dementia. She gave up work as an accountant four years ago to care for Robert full-time. With their savings and Robert's military pension, they are over the means test threshold for local authority support. Robert is doubly incontinent, and easily confused and distressed, so he cannot be left alone. Just to go to the supermarket, Joyce has to pay £12 an hour for a sitter. For longer breaks, she has to pay £18 an hour for specialist care. Paying for a day of replacement care or for a weekend away means that costs escalate, because Joyce has to pay for multiple care workers and even a nurse. It is important to note that the charges that Joyce is paying have risen by 20% during the past four years. Joyce gave up work to care for Robert and her only income now is from the carer's allowance of £55 a week. She knows that residential care, when Robert needs it, will cost thousands of pounds a month, which makes her very fearful of the future.

I said earlier, and I think that it is the case, that there is clear agreement that our social care system is no longer fit for purpose and that reform of the funding system is overdue. However, the important point is that none of the people I have referred to in those examples would be helped with their current issues by the Dilnot report's recommendations, because they offer little for overburdened family carers who are caring for people at home.

A report by the Strategic Society Centre suggests that the "capped cost" model recommended by Dilnot will pose a dilemma to policy makers and could create resentment among family carers. Carers such as Joyce save the state many thousands of pounds by providing informal care. However, when the person they care for enters residential care, they will still be liable for the first £35,000 of care costs. That does not seem fair.

The recommendations of the Dilnot commission are an important step on the path to reform, but we must look widely at what is needed. We must focus on the gap in funding, which exists under the current system as well as in the projections of future funding needs. We must also have the widest possible debate on the options that are available. It seems that there is a problem in getting a debate on these issues that is wide enough to build the consensus that Members from all parties have talked about in Westminster Hall today.

I know that the Minister who is here today is involved in an engagement exercise and that leaders from the care and support community are helping to lead those discussions. However, I want to ask whether and how we can debate this issue more widely. There are 6.4 million carers who have a stake in the issue. There are 1.6 million staff who work in the provision of social care, which is more than the number of staff in the NHS. We should perhaps not be surprised that those people find it harder to be in contact with MPs and Ministers to give their views. They do not have the time in their busy and pressed lives to go along to consultation events; it is very difficult for them to do so. It says much about the isolation of carers and of the staff who work with people who need care that they have few opportunities to get together and put forward their views and comments, so it is our job to find out about that, and to talk to and build a consensus with those people.

After the launch of the Dilnot report, the all-party group on social care asked how the public debate on future funding of social care would develop. We asked a Health Minister—it was Earl Howe, as the Minister who is here today was unable to attend that meeting—whether Andrew Dilnot and the other commissioners could continue to play a role, and whether the secretariat for the commission would continue.

In July this year, I, as the chair of the all-party group on social care, and the chairs of 11 other all-party groups associated with social care wrote to the Prime Minister, the Health Secretary and the Minister with responsibility for social care, who is here today. The MPs and peers in those all-party groups stressed the

[Barbara Keeley]

need for action. We asked the Government to accept the urgent need for reform, but we also asked them to provide resources to support meetings across the country to promote the debate on social care, facilitated by members of the Care and Support Alliance, which is the umbrella group of more than 50 charities that represent older people, disabled people and those with long-term health conditions, as well as their families.

As we have already heard today, the future of social care is of national importance and it should involve the millions of people who depend on social care and the staff who provide care services. Can the Minister tell us what resources the Government will allocate to promote the debate on social care, including providing support to the members of the Care and Support Alliance to run meetings and take the debate forward?

Finally, can the Minister update us on the level of commitment that he believes exists in the Government and more widely to take forward the issues that have been raised today, and to take action to deliver what we said in our letter to the Prime Minister and others we want to see, which is a fairer system of charging for care that is matched by a financial settlement for local authorities so that they can deliver that fairer system?

3.6 pm

Neil Carmichael (Stroud) (Con): Thank you very much, Mr Robertson, for calling me to speak. It is a great pleasure and honour to speak in a debate such as this, and I congratulate my hon. Friend the Member for Truro and Falmouth (Sarah Newton) on securing the debate to bring the issue of social care to our attention. As she said herself, the debate is also extremely timely, because tomorrow, of course, is Remembrance day and it is absolutely right that we remember those who achieved so much for the cause of freedom and for this country during the world wars and indeed afterwards.

I want to echo the point made by the hon. Member for Worsley and Eccles South (Barbara Keeley), who is the chair of the all-party group on social care. She made the point that we need to think very carefully about social care funding and that it is important to take an all-party approach to it, because it will affect many people for an extremely long period. We are talking, obviously, about elderly people, but everybody gets old and this is a long-term policy, with long-term implications.

We have to embed a set of policies—a framework, really—that can last, because one point that keeps coming up when we discuss the funding of social care is that we do not really know how to plan and we do not know, as individuals, what sort of structures will be in place; consequently, many individuals do not plan. The Government have a huge opportunity effectively to create the reasons why people can plan for their retirement and, as they arise, their care needs.

As other speakers have suggested, Dilnot makes it clear—or at least, implicitly clear—in his report that the sort of measures that he is talking about, including the ceilings that would apply before people have to pay for care and so on, will effectively create a situation where people are planning financially for their forthcoming care needs. We need to remind everybody of that when we discuss this issue in increasing detail, as a White Paper and so on arrive on the table.

In my constituency, I visit care homes quite frequently and I have often been asked to meet people who have just celebrated or are about to celebrate their 100th birthday; a huge number of people in my constituency reach that age. When I first started visiting them, it was really quite an honour, because members of my family never get to 100—although, obviously, they are going to.

Kelvin Hopkins (Luton North) (Lab): The hon. Gentleman could be the first.

Neil Carmichael: That is very kind. *[Interruption.]* Hon. Members are all very optimistic.

Glyn Davies: It might be a good point to throw into the debate that, a fortnight ago, I visited a woman who was having her 108th birthday. The interesting thing about her—I think it contributed to her longevity—was that she had been a member of the Conservative association ever since she was allowed to join in 1928.

Neil Carmichael: Well, we certainly have experience in our Conservative association back at home. An interesting thing about my constituency is that I came across somebody who was 106. She wanted to make a complaint and she came up to me at some speed. I did not think it was anything to do with the care she was getting, and it was not: she had received a birthday card from Her Majesty the Queen every year for the past six years, but unfortunately she had received the same one each year, and she wanted a different one.

As that story shows, we have an ageing population, and that brings challenges, of which dementia is obviously one. More and more people are experiencing dementia, not just because they have it but because a family member has, and that can be just as challenging. We need to prepare the ground because an increasing number of people have dementia.

Mrs Helen Grant (Maidstone and The Weald) (Con): One million people will have dementia by 2025. Does my hon. Friend agree that this terrible disease must have a proper place in any funding review or funding reform?

Neil Carmichael: That is exactly the theme I was about to develop, so I will simply agree with that excellent point.

In my constituency, we are promoting the "Write it Down" campaign. If somebody thinks they or a member of their family is getting dementia, but they are not quite sure, it is a good idea for them to write down sequences of events, because that will trigger a recognition or an acceptance that they or their loved one are forgetting things. The campaign is gaining quite some traction in my constituency, and I recommend that hon. Members promote it in theirs. Gloucestershire is getting quite a lot of accolades for the campaign, and families are successfully using this tool to diagnose dementia, which, we should remember, is not an easy thing to do.

I want to talk briefly about carers. Their role has been mentioned, and rightly so, because they do an enormous amount, and their numbers are huge. A fact that is sometimes overlooked, however, is that a lot of carers are surprisingly young, and some still go to school. We need to bear that in mind.

Kelvin Hopkins: The hon. Gentleman is making an important point. In my constituency, I have been visited by a group of people with young family members who suffer from dementia. A number of people develop dementia when they are quite young.

Neil Carmichael: Absolutely. I take the point that young people can also have dementia—that is certainly true—but the point I was making was that young people are caring for people once they return from school. That is a measure of the challenge we face in dealing with the role of carers, so the Government have to think carefully about the structures around carers and about the ability to give these people appropriate support and respite.

Barbara Keeley: It is good for us to be concerned about young carers, but is the hon. Gentleman concerned about the loss of education maintenance allowance? When I talked to the young carers project in my constituency, it told me that all but one of its young carers had been receiving EMA, and they were really afraid that they would lose all their incentives to stay in education. There is therefore an issue about support for young carers.

Neil Carmichael: This is certainly becoming a surprisingly wide-ranging debate. We have thrashed out the issue of EMA very carefully and thoroughly in the House of Commons—indeed, those of us on the Education Committee produced a useful report on the subject—but the Government have to think about wider issues in connection with post-16 education and so on. However, that is a separate issue; the important point here is that people who are going to school are carers, and I want the Department of Health to register that.

Another important aspect is the number of people with Parkinson's. That problem is increasing all the time, and it is right that we focus our attention on it. The reason I mention such difficulties—not to the exclusion of others—is that it is important that we think carefully about personalised budgets so that people get tailor-made provision that they are happy with, and so that we join the NHS up with social care. I made that point in an intervention on my hon. Friend the Member for Truro and Falmouth but I want to repeat it, because part of the answer is to ensure that fewer people end up in hospital, and we can do that by ensuring that the social care structure spots problems before they become serious or overwhelming and prevents problems from starting in the first place. If the social care system dovetails completely with the NHS system and is accessible and transparent, people who need care, and families with members who require care, will feel they are being properly listened to.

Glyn Davies: Let me make a point in the form of a question. It touches on several of the issues that my hon. Friend has just mentioned, and particularly on Parkinson's disease. Does he share my concern that once people enter a care home, there is not the same awareness of the need to look for dementia or Parkinson's disease as there is outside? There is not the same awareness of the onset of those diseases, because people are deemed just to be elderly, when in fact they are suffering from an illness.

Neil Carmichael: That is a good point. Earlier I mentioned the problem of diagnosing difficult illnesses—I obviously focused on dementia, but there are others. My hon. Friend is exactly right.

One theme that I have been picking up in care homes in my constituency is that increasingly, people do not enter care homes until they are older and actually need care because of their various illnesses. The pressure on care homes is therefore intensifying as a result of the changed profile of the people going into them. That has obviously put pressure on care homes' finances, and there are differences between those that are supported by private provision and those supported by local authority provision. We need to explore thoroughly the question of the funding arrangements for care homes, and that should be part of the process that we get involved with as we move towards the publication of the White Paper.

My hon. Friend the Member for Portsmouth North (Penny Mordaunt), who is now out of the Chamber, mentioned commissioning, which is critical. Local authorities need to commission with a huge amount of sophistication, and they need to be fully aware of how to specify what they are commissioning for. The one good thing about the county council in Gloucestershire is that it is embracing the personalised care theme vigorously, but I would like to make one point. All personalised care is excellent if it is properly specified and funded, but we must be sure that the assessment process is fair. I constantly seek reassurance that that will be the case.

In my remarks I have signalled two general points that I think are important. First, we need to think long-term. We do not want a party political dingdong about this. We need carefully considered, thoroughly researched and above all well-meaning outcomes in the provision of care for elderly people, because we are setting foundations that should, I hope, last decades. Secondly, we must not think of the issue in terms of various silos providing care, while we hope for the best. We must be more holistic. As people grow older they will want to get access to different things. They do not want to be channelled by various bureaucratic systems. They want, effectively, to consider their options and decide for themselves, and they hope that when they cannot decide for themselves there will be a mechanism, in their family or through advocacy, to enable them to maximise the quality of their life for as long as possible. In the end, that is in all our interests. First and foremost we must create a system that people recognise as decent, fair and honourable.

3.21 pm

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to serve under your chairmanship this afternoon, Mr Robertson, and it was also a pleasure to hear the speech by the hon. Member for Truro and Falmouth (Sarah Newton). She referred to me, unusually—because I think that I am the only hon. Member here who was born during the second world war, and I survived it, but only just: we were evacuated shortly before a V1 landed on our house and blew it up, but nobody died. Fortunately I was with my grandparents in Leicester at the time. We are concerned about elderly people who fought in that war and now are either in care or being cared for in their own homes.

[Kelvin Hopkins]

A headline in *The Daily Telegraph* of 28 October read, "Misery for millions as elderly care funds cut". The *Telegraph* is not a newspaper of the left. It is normally supportive of the Conservative party, and I would hope that that is the basis for some sort of consensus, because we can all agree on this. I do read the *Telegraph* and find it very useful, and quite a good newspaper at times. I have no particular dislike of it, and it is spot on in that headline.

Importantly, it has been observed on more than one occasion that we do not care enough for our elderly people. Our attitudes to the elderly in Britain are not good, especially compared with those of some minority communities that have come from abroad, which have a kind of reverence for elderly people. Perhaps I would say that, because I am not as young as I was, but I think they value elderly people in a way we do not.

In some circumstances elderly people are regarded as a bit of a nuisance. I have some rather horrifying quotes from Professor David Oliver, who is senior lecturer in elderly care medicine at the university of Reading and secretary of the British Geriatrics Society. He said:

> "Not long ago, a senior doctor walked onto my ward, turned to a nurse and laughingly asked: 'How do you stand working with all these crumblies?'"

That kind of attitude is utterly poisonous. On another occasion a senior doctor said

> "he was spending too much of his time 'market gardening'—ie, looking after cabbages (old people)".

Those are dreadful things to say, and people who say them should not be around elderly people. We must make sure that the people who look after elderly people have compassion and empathy, and a bit of reverence for people who have spent their lives working in society and contributing. I raise those incidents in a sense to shock us all into realising that in many instances we are not doing right by our elderly people.

That said, I know that there are many people who do wonderful work. I had two local authority care homes in my constituency and I visited them on several occasions. They had devoted staff, whom the residents loved; they thought they were really cared for. The visiting professionals all said that the care homes and what went on in them were first class. They have both been closed down, essentially forced to close by central Government. It is wrong that we should forcibly encourage local authorities to close local authority care homes and send the residents to private care. Some of the people who left may well have gone to Southern Cross homes—some of those that are now being criticised by the Care Quality Commission. We are not doing right by our elderly people, and we must do more.

As to costs, some 12 years ago the royal commission on long term care recommended that all care should be free of charge—free at the point of need, like the national health service. It was not a unanimous recommendation because, I think, the Government of the time, rather mischievously, made sure that one or two members of the commission brought out a minority report opposing free long-term care. Since that time Ministers have time and again said, "Oh, it wasn't unanimous, therefore, implicitly, we don't have to do that." I took a different view, and tabled early-day motions in two successive Parliaments, calling for the Government to implement the recommendation for free long-term care. That did not happen; it was all about cost in the end, but I still believe that is the way forward. The costs involved would be significant, but in the scheme of things not an enormous amount.

I am the chair of the support group in Parliament for the National Pensioners Convention and Andrew Dilnot came along to present his recommendations to us two or three weeks ago. He is quite brilliant, frankly. His analysis and what he has come up with are first class. That should be the minimum default position, which any Government should take. I would like to go further than he went, but I think he is realistic, and, thinking that pushing Government to spend will be hard, wants to find the fulcrum point at which they might accept his idea. What he did was brilliant. The National Pensioners Convention, like me, believes that care should be free at the point of need, like the national health service, but Dilnot has come up with a fine scheme.

The National Insurance Act 1948 recommended that there should be a capital limit, which I think was £8,000 at the time. The minimum amount of capital that people could have was £8,000. If that is indexed forward it comes to a figure of between £250,000 and £300,000, so when Dilnot talks about £100,000 he is way below what would have been the case if we had simply indexed the figure forward. What we have now is disgraceful.

One result of what we have is that working-class people who managed, through saving and struggle, to become owner-occupiers are now having that little bit of equity in the family taken away from them. The wealthy do not have to worry. They have plenty of equity, and to look after granny when she has dementia they can perhaps take a little cash out of their overseas account, so it will not be a problem. However, for working-class people who have bought their home and become the first owner-occupiers in their family—and perhaps all of us would support in principle the idea of owner-occupation, if at all possible—that is being taken away from them. Many people in my constituency bought their council houses. I was not in favour of selling council houses, but it is just those people who now find that their capital has been taken away to use to look after granny. Typically, the grandchildren who would have inherited that equity and gone into owner-occupation will now not be able to do so.

People have come to my surgery and reluctantly admitted that they are keeping granny at home deliberately because they are desperately fearful that if she goes into a care home her house will be sold, the equity will be lost and their children will not be able to get into owner-occupation; there are no council houses to rent and they will be forced into private rented accommodation, and will have a much poorer quality of life as a result. That is the reality—it is actually happening. Those admissions are made reluctantly, because it is not something people want to say. Granny—it is usually granny because women live so much longer than men—may be suffering, and not getting quite the care that she should have, because she is staying at home. In the best of all possible worlds we all want to stay at home for as long as we can, and it is right that we should do so, but even care at home is not up to scratch.

I have examples, as I am sure others do, of care companies that look after elderly people in their own homes. The carers sometimes are not kind and are a bit impatient. The elderly person has to get out of bed when they turn up and go to bed when they turn up, and is sometimes left sitting in a chair all day with stale sandwiches on a plate beside them, not being able to do anything—not even go to the toilet. We are not getting the care even when we have paid-for carers coming in, so a radical change is needed. We must not only pay for care but ensure that it is good care, and that the people who deliver it are caring, compassionate and professionalised.

I spent much of my life before Parliament working as a research officer for the major public services trade union, Unison. In the past, many care home staff would have been Unison members, but the private care homes are not unionised. In my constituency, when one of the care homes I mentioned was privatised—closed down—I had a difficult conversation with the senior officer at the local authority, who eventually, after an hour, said: "We are doing it to cut costs. There will be fewer staff, they will not be in unions, and they will have shorter holidays, lower pay and poorer conditions of work. We can get the costs down."

Damian Hinds (East Hampshire) (Con): Does the hon. Gentleman agree that it can be difficult to find people who want to be carers, whether in the public or the private sector, at home or in a care home setting? Perhaps we need to find new ways, beyond just unions, of elevating the status of the job as a profession or occupation, in the same way as social workers are now considering creating a college of social work.

Kelvin Hopkins: I agree absolutely about elevating the status, but we do that first by having the carers professionally trained, ensuring that we get the right people to begin with, having them properly paid and having staffing at the right level. If someone is looking after too many patients and cannot cope, either in a hospital or a care home, the patients do not get proper care. In most areas of life, as quality improves we want higher productivity, which means a lower level of labour intensity, but in this area we want more people working, with each care person or nurse looking after fewer patients, to ensure that everyone gets the care they need, rather than having one junior nurse looking after a large room full of elderly people and not being able to cope late at night.

In the past couple of weeks we have heard some distressing stories about elderly people in hospitals not getting the care they need. We will all be elderly one day, and some of us might finish up in care because we might not have extensive families to care for us. I do not like the idea of being in pain and suffering at night and not being able to get anyone to help. I am physically fit and doing well at the moment, but we shall all be old one day. People are suffering in that way now, and the only way to deal with it is to ensure that we put in sufficient resource. I think there are people around who want to do these kinds of jobs but they will not do them if they are going to be overworked, undertrained, underpaid, and treated badly by private companies or care managers in hospitals.

Jane Ellison (Battersea) (Con): I am intrigued by what the hon. Gentleman has said about the barriers to entry into this work. I have been following the fortunes and recruitment patterns of a care home close to me in my constituency, which is struggling to get local youngsters to apply. We have talked through all the reasons for that, and the home thinks there are some cultural barriers. The hon. Gentleman made reference earlier to the different attitudes of people from different backgrounds and different parts of the world, and I think there is a cultural barrier to young people entering the workplace and spending their life giving care to older people. We have to admit that and address it.

Kelvin Hopkins: Possibly there is such a problem, but most of the care workers in the homes I was talking about were caring mature women. They had a genuine affection for the people they were looking after, which was wonderful to see. The residents liked being there, the care workers doted on them and the professionals who came in were full of admiration for what was going on. We have to replicate those conditions for all of us in one way or another. Perhaps we need to look at ways of recruiting people, but I believe there is compassion in humans and there are people who would do these jobs if they were treated with the appropriate respect and given the support, pay and conditions of employment we would expect. Unison has long been supportive of this kind of thing, campaigning against the privatisation of care and in favour of free long-term care.

Andrew Dilnot has gone a long way in the right direction and I applaud what he has done, but we have a lot more to do beyond what he has said. I hope that some of what I have said has rung a few bells, and that the Minister, and indeed the Opposition, start to take the issue much more seriously, and look after elderly people as they should be looked after.

3.36 pm

Tony Baldry (Banbury) (Con): I am very pleased to be able to take part in this debate as co-chair of the all-party group on carers, and I have a couple of simple requests for the Minister.

It is crucial that all political parties—both Government and Opposition—work together on the White Paper on social care. We have been waiting for the document for some time, and I understand that the Government have committed to introducing it next spring. It would be very helpful if the Minister cheered us all up in his concluding comments by confirming that there will be a White Paper on social care in spring 2012. He will make us all the more happy if he can confirm that it is the Government's intention that the document will introduce proposals to ensure that we are able to deliver sustainable long-term funding to tackle the existing care crisis and provide for growing demand.

We must recognise the scale and nature of the growing demand. The Department for Work and Pensions produced a wonderful report earlier this year called, "Number of Future Centenarians by Age Group". Someone is either a centenarian or not, so I do not know why the DWP has to classify them by age group: it is one of those wonderful "Yes Minister" things. The report forecasts that 11 million people alive today will live to 100—a huge number. However, the number of working-age adults who will suffer from age-related conditions will rise by almost a third over the next 20 years. It is predicted that between now and 2030, 30,000 more people over the age of 80 will be living in the typical shire county of Oxfordshire, which is the equivalent of

[Tony Baldry]

a town the size of Bicester being added to it. From 2025, the population aged 60 and over in the county is expected to be greater than the population of under-19s, including students. In a county such as Oxfordshire, nearly 70% of people aged 85 and over are living with a long-term illness, and the Medical Research Council's cognitive function and ageing study shows that 26.5% of men and women between the ages of 80 and 84 suffer or experience age-related dementia. At over 85, the figure suffering from age-related dementia goes up to 68.5%, which is a significant increase. That means that the number of carers is expected to rise from 6.4 million today to 9 million by 2037, which is a substantial increase.

That is all against a background—in the House, we have discussed this in a number of debates since the general election, and I will not read out the speeches I have made in the past—of local authorities having to deal with serious financial circumstances, which has led them to increase charges for care services and raise eligibility criteria. The percentage of councils providing support to those with moderate needs has decreased from about half in 2005 to less than a fifth, as eligibility criteria are raised to substantial or critical needs only.

If he has time in his concluding comments, will the Minister update the House on what his Department considers to be the impact of the Sefton ruling in the High Court yesterday? The ruling seems to indicate that it is unlawful for local authorities to freeze care home fees unless they have consulted care home managers fully and properly assessed the risks of decisions to care homes and their residents.

The vice-president of the Association of Directors of Adult Social Services and others have calculated that the ruling will add a substantial amount to local authorities' budgets, which have already been set for this year. We have some fairly tight figures for both local authorities and for care homes.

The Minister of State, Department of Health (Paul Burstow): The key point in the High Court's decision was the consultation. That was also a finding in the Birmingham case earlier this year, when the issue turned on whether the consultation was adequate and whether the authority had had due regard to various statutory duties. The issue now for local authorities is to satisfy themselves that they have had proper regard to the matters that the courts have directed them to consider.

Tony Baldry: That is a helpful update for the House, and I am grateful to the Minister.

Barbara Keeley: Does the hon. Gentleman share my concern—this may be the theme that he is developing—that there is a conflict between localism, the removal of ring-fencing and ensuring that a local authority delivers adequate social care? I find it hard to see, when exhortations are clearly not working with local authorities, how we can ensure that some authorities do not just cut their social care budgets to the bone and give people inadequate services. It is quite clear, with £1 billion in cuts this year, that they are not doing as the Minister would like.

Tony Baldry: I see the situation rather differently from the hon. Lady. Local authorities such as Oxfordshire are committed to delivering good-quality social care for elderly people. The challenge for them is to ensure that the increasing number of elderly people, often with increasing needs, receive appropriate care, whether at home or in residential care. A tight budget presents them with a significant challenge, but it is a challenge to which they are committed.

I appreciate that the hon. Lady comes from a unitary authority, but for two-tier authorities in shire counties such as mine, social care is now their most significant contribution. Increasingly, schools and education are running themselves, so authorities are going to be judged on the quality and the way in which they deliver social care.

Kelvin Hopkins: One thing that concerns me is local accountability. In a sense, the hon. Gentleman is making an argument for more local control, because democratic local accountability means that people in a local care home will have immediate recourse to elected local representatives, rather than having a simple national scheme such as the national health service. Perhaps if the national health service had more local accountability, we might not see some of the things that are happening at the moment.

Tony Baldry: I am not entirely sure where the hon. Gentleman is going with that point, so if the House will excuse me, I will not follow him down that particular line.

I do not think there is any lack of local accountability as far as the national health service is concerned. The Oxfordshire joint health overview and scrutiny committee is meeting today and will consider, for example, possible service changes at Horton general hospital in my constituency. The committee will, I am sure, vigorously interrogate the senior management from the Oxford University Hospitals NHS Trust and from the Oxfordshire and Buckinghamshire PCT cluster.

In the debate on social care, we must not underestimate the burden or the toll on carers of the task of looking after elderly people with age-related difficulties. Carers UK has found that carers providing significant amounts of care are twice as likely to suffer from ill health as non-carers. In 2008, a survey of heavy-end carers showed that more than half of those caring were in debt, and nearly three quarters were struggling to pay household bills. A large number of carers, about 1 million, have given up work or reduced their working hours because of caring. The peak age for carers is between 45 and 65, which is often the age at which they would be at the peak of their training, skills and career experience. That can be a cost not only to the carer, but to businesses and employers as they lose key people who have to care for relatives.

We have seen some excellent organisations such as Employers for Carers, which was set up by Carers UK and seeks to bring together numerous employers, generally larger ones, to promote flexibility and workplace support for employees juggling work and care, but that is not always possible for small and medium-sized employers. There is also a cost to the NHS. Sometimes, if we are not careful, there is a trade-off between the quality of social care, the provision of sufficient beds in nursing homes and residential care homes, and the need to prevent delayed discharges and bed blocking in hospitals. We had a debate on that not long ago, to which I contributed. In Oxfordshire, we are grappling with the issue of delayed discharges. If we are not careful, the cost to the NHS of delayed discharges will be significant, particularly at a time when more and more hospital treatments can be offered as elective day treatments. Generally, people are spending less time in hospitals, so delayed discharges add particular cost to the NHS.

Barbara Keeley: I thank the hon. Gentleman for giving way again; he is being very generous with his time. Does he have any thoughts on the point that I made earlier about the Dilnot commission and the £35,000 that must be paid out by the individual in the shared-costs model, which does not recognise informal care? He is making the point that people are giving up work to become carers, which has a huge financial cost. They may be struggling to pay bills but, even so, when their loved one goes into a care home, they will still have to pay £35,000. There is no recognition of everything that they have done that has helped the state save money. Does he agree that that is not fair?

Tony Baldry: We all have to recognise that there is only so much, on a cross-party basis, that Ministers will be able to do in the White Paper, which I hope will come out next spring. If the White Paper contains a sustainable funding process for residential care, we will all consider that to be a substantial step forward. We must not forget, however, that a number of issues will still be relevant to carers, particularly because, in order to maintain costs and keep them down, most local authorities are trying to keep people at home for as long as possible. For example, in my constituency and in those of many of the other Members who are present, it was previously the case that frail, elderly, but mentally alert people lived at home, but that has become increasingly true of people with age-related illnesses such as dementia or Parkinson's, and it will continue, because however much the funding for residential care is increased, there will still be that population at home.

Another point that I want to reinforce to the Minister—I am sure that he will take it on board—is that a number of organisations concerned with social care are in consensus in supporting the recommendations from the Dilnot commission, particularly the recommendation on protecting families from catastrophic care costs by capping lifetime care bills because, at present, families coping with long-term conditions can face bills of tens or hundreds of thousands of pounds to pay for home and residential care. There are fears of unaffordable bills forcing families to provide round-the-clock care, and two thirds of carers end up spending their own income to pay for the care of the person for whom they care.

Those of us on the all-party group on carers welcome the Dilnot commission's clear recognition of the need for additional resources for social care, to overcome an historic shortfall and to recognise the growing demand. We need a new national system of eligibility and portable assessments to create a more standardised system across England and to remove some of the uncertainty that families face as they deal with different systems in different council areas. We also need a new awareness, advice, information and advocacy strategy, to help families plan for care and access private, state and voluntary sector support. I think that there is strong consensus on those points, and I hope that the Government will adopt the proposals in the forthcoming social care White Paper.

Sarah Newton: My hon. Friend has been incredibly generous in giving way, and I am grateful to him. He is making an important point and I would like to underline it. As we have heard, the scale of the challenge facing the Government is so immense that we need short, medium and long-term solutions. At present, the Government face the challenges of deficit reduction and of other huge reforms taking place in our country, but it would be welcome if they set out in the White Paper a direction of travel and suggested proposals that could be achieved in the short term and that addressed some of the issues while not seeking to solve the whole problem all at the same time. We would take a paced, building-block-type approach.

Tony Baldry: I agree entirely with my hon. Friend, but I think that we have all slightly lost track of the number of Green Papers, discussion documents and other things that we have had in relation to social care. What will be really important next spring is that we get a White Paper that has a summary that everyone can understand and that makes it very clear what will be the basic system for funding residential social care for the future. I think that that would be greeted in the House by a quick rendering of the "Hallelujah Chorus".

Following my hon. Friend's point, if the White Paper can set out the direction of travel for the rest, that would be good news. What we have seen all too often in the past is a discussion paper that concludes that the issue is so huge and so difficult that we have almost lost the will to live. Spring 2012 has to produce a White Paper with a clear commitment to the funding of long-term residential care, and then direction of travel for the rest is important.

Finally, I agree with the need to enhance the status of care workers. In my experience, the model adopted by many residential care homes has often been to recruit people from the Philippines or eastern Europe. The deal was that they came over, got trained, were often paid the minimum wage and, having been trained, worked in the national health service. Because the Government, perfectly understandably and quite rightly, are capping immigration from outside the European Union, it is no longer possible for nursing homes and residential care homes to recruit from the Philippines or outside the European Union, so we have to enhance the status of care workers, both in the NHS and in residential care homes.

On my patch, I have suggested to the chief executive of the Oxford University Hospitals NHS Trust—I am glad that he has responded positively—and others that we should consider setting up in Oxfordshire one of the new Government's work academies, specifically for care workers. We need to ensure that far more people see care and working in the care sector as a valued profession that makes a real contribution to society. It needs a career path, with a national vocational qualification, training and proper involvement from further education colleges. The issue is of as much interest to the national health service as it is to residential care homes, because if those care homes have sufficient care workers it will be easier for discharges into them to take place. Moreover, we often need to ensure that the NHS has sufficiently well-motivated and well-qualified nursing care assistants. I hope that we will begin to see centres of excellence around the country that will train people as care workers,

[Tony Baldry]

to ensure that we do not find ourselves in difficulties because nursing homes and residential care homes have to close because they cannot recruit qualified staff.

John Pugh (Southport) (LD): Would not the consequence of that be that care homes would have to pay better wages than they do at present? The hon. Gentleman has mentioned people from the Philippines. I had some in my constituency who were allowed to stay provided that they were paid for their qualifications, but the care homes refused to do so in some cases.

Tony Baldry: The management of any sensible care home will want to ensure that it invests in its staff. It has a duty and responsibility to do so. It has to play its part in ensuring that it, like any employer, helps with the required skills, qualifications and training of those people. This is an important issue and one that we have to get right if we are to have proper levels of care in the community, of residential nursing home care, and of care in the NHS.

3.57 pm

Heidi Alexander (Lewisham East) (Lab): I wanted to speak in this debate because I have had two specific personal experiences in the past couple of years that have led me to think that finding a way to fund elderly care in this country is probably one of the biggest challenges that we face. I wish to take a few minutes of Members' time to share those experiences, which I hope will underline to the Minister the urgency with which the Government need to act.

Before I became a Member of Parliament, I was a councillor in the London borough of Lewisham and can honestly say that the worst meeting I ever had to attend was when the council was reviewing the eligibility criteria for adult social care. At the time, we were looking at whether we could sub-divide the category of "substantial care needs", which are really serious needs for which people need help. It is about basic human dignity, so it was a difficult thing to consult on at the time. Hundreds of people attended the council meeting and I remember being almost moved to tears by some of the testimony that people gave about the support that they received. I am pleased that, that year, my local authority of Lewisham chose not to do away with funding substantial care needs. It still funds such needs, although in the current economic and financial climate, Lewisham has had to increase considerably the charges for care packages.

I realised at that time that adult social care in this country is woefully underfunded. It constitutes such a large proportion of local authority budgets that, in the present climate of huge cuts to local councils, they are faced with very difficult decisions about how they can fund care provision, while setting a balanced budget elsewhere. I am concerned, as I said in my intervention, that the so-called extra money being diverted from NHS budgets into adult social care is not really extra money at all. When the large cuts to the budgets of local authorities are taken into account, that money is merely being used to prop up what was already being done. For example, from my local authority experience, I know that out of a £270,000 million revenue budget, Lewisham council spends approximately £100 million every year on adult social care. If it has to find £80 million worth of cuts in the next three years, it has to take some very difficult decisions about how to make all that work.

My experience in Lewisham also told me that in this country we do not fund the sort of preventative care that is necessary to avoid having higher care needs later on in life. I urge the Government to consider how we can provide more preventative support, so that we do not have huge outlays further down the line. As people get older, their care needs become a lot more complex. If we can intervene earlier and provide the right sort of support, perhaps we will not have such high expenditure further down the line.

I said that I had two personal experiences that led me to take part in the debate. My other experience is very personal. Last year my nan passed away, after suffering with Alzheimer's for a number of years. She spent the last years of her life in a care home. My hon. Friend the Member for Luton North (Kelvin Hopkins) spoke earlier about the experience of working-class people and what it means for them to pay for their care. My nan was a working-class woman. She worked very hard all her life and saved hard to buy her own home. She never went on a foreign holiday. She was very frugal with her money. She ended up having to sell her home, which was worth about £140,000, and using the small amount of savings that she had to pay for her care. There is obviously a limit on how much money one has to pay for such services. Her estate was worth in the region of £23,000 at the end of that process, but my family paid more than £100,000 for her care. The local authority picked up the costs of that care towards the end, because all her savings had been used. I think it would break her heart to think that what she had worked hard for all of her life did not get passed on in any significant way to my father, to my aunt, or to her grandchildren.

Sarah Newton: The hon. Lady has highlighted another illusion in the system: the illusion of the separation between the so-called self-funders and others. There are very, very few people who end up fully self-funding their care. Most people deplete their resources and end up having to be funded by local authorities. We must not always see the issue in black and white. Of those who self-fund, about half go on to require support from local authorities.

Heidi Alexander: The hon. Lady makes a very good point and I agree completely that there is not a clear distinction between self-funders and local authority-funded clients. I reiterate the point made by my hon. Friend the Member for Luton North about how wealth is inherited in our society. My family, perhaps unwisely, have not planned greatly for their retirement. My dad is a self-employed electrician. I think that he was planning to use some of the money that came from the sale of his mother's house to fund his retirement. He does not in any way begrudge the money that he spent on my nan's care towards the end of her life. I do not begrudge it. She had fantastic care in a fantastic care home, and that is completely right. However, I know that he feels that the system is perhaps not really fair. He asked me questions about people who play the system, and whether people transfer homes into somebody else's ownership so that they do not have to pay.

Kelvin Hopkins: There is the seven-year rule about tax on gifts. Many of the more acutely aware middle-class people with accountants transfer the ownership of their property long before they die, so that they never have these costs imposed on them.

Heidi Alexander: That is precisely the point. Families are asking questions about how this can happen. We need to have a fair system so that people know what to expect to pay for their care in later life, can have some peace of mind about it, and do not think that somebody else, who perhaps has a better knowledge of the system, can play it in a way that means that they do not have to pay out in the same way.

Barbara Keeley: My hon. Friend is speaking very well from her own personal experience about an issue that affects the whole country. Last week, one of my constituents questioned why he will have to pay all but £28,000 of the value of his father's home—which, in Salford, was not a costly home—to pay for nursing care. He thought all along that nursing care should be paid for because it is nursing. He still does not understand it and is very distressed. I wonder if that example, and the example raised by my hon. Friend from her own experience, suggests that we need to get out there with this debate so that people do understand it and so that everybody is in the same place—as has been said, not just middle-class people who can plan, and people who have accountants—and knows what it might cost them and how to go forward and plan for it.

Heidi Alexander: I agree completely. I go back to what I said at the start of my contribution, which is that this is one of the biggest challenges we face as a society and as a country. We can talk about the crisis in the eurozone, international terrorism or climate change, but how we plan for the needs of our ageing population is incredibly important. It may not be the sexiest debate out there, but we need to get people talking about it so that they can understand and contribute to how we should legislate on this issue.

In conclusion, I was at the event that the Minister attended earlier, which was organised by the Greater London Forum for Older People. It was a packed Committee room, and I heard the Minister say that this Administration will not be the Government who do not face up to this problem, grasp the nettle and tackle it. I urge him to honour the commitment he made to the pensioners in that room. For far too long, we have not tackled this problem. I fear that it will be placed in the "too difficult" box. We have already heard the hon. Member for Banbury (Tony Baldry) talk about the need to publish the White Paper in the spring. I think the Dilnot commission report talked about a White Paper in December, so I put it to the Minister that perhaps we are already a little behind that timetable. The key issue, as I was discussing earlier with my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley), is to have a Bill in the next Queen's Speech. Will the Minister commit to that today? If he and the Government were to say that they will legislate on this matter in the next parliamentary session, that would be a sign that the Government take the issue seriously and that we can tackle the problem, which has, for too long, eluded us.

4.9 pm

Margot James (Stourbridge) (Con): It is a pleasure to serve under your chairmanship, Mr Bone. I must apologise to you and to the Front-Bench spokespeople. Unfortunately, I will not be able to stay to the end of the debate. I apologise, but I have a pressing engagement in my constituency this evening.

I would like to begin by congratulating my hon. Friend the Member for Truro and Falmouth (Sarah Newton) on securing a Backbench Business debate on such an important topic. Several speakers have alluded to the crisis in care funding at the moment and to the service being chronically underfunded. I want to throw some light on why I think that that has become the case.

Age UK reported earlier this year, in June I think, that spending on adult and social care rose by only 0.1% between 2004 and 2010. Crucially, during that period the numbers of older people needing care expanded significantly, to say nothing of those in other generations who also need care. The number of older people aged over 65 increased by 7.7%, while the number of very elderly—the over-80s—increased by 11.6%. While the care budget for older people was static—rising by 0.1% in real terms, to be precise—the numbers requiring that care have expanded, and that rise is continuing. It is interesting to note that, at the same time, other budgets were rocketing: spending on the NHS increased by 27%, on the police by 20% and on schools by 12%. That is salutary, because we can see how older people's care has been treated and valued over time. We arrive at the point where—I agree with everyone in the Chamber—it is not enough. Most councils have therefore been under pressure in that area for a considerable length of time, which precedes the public spending review of the past 12 to 18 months. Most have responded to the challenge by tightening the eligibility criteria for the provision of care at home and by making far more use of private providers.

The situation in my borough of Dudley exemplifies the problem. I have visited approximately 10 private care homes in my constituency, and I apply my own inspection criteria—crudely, whether I would have willingly allowed my mother to be cared for in the home. We are fortunate in Dudley—certainly in my part of it, Stourbridge—with the overall quality of our homes, but the fees paid by the local authority for people to be looked after are imposing on the good will of the management and staff in the homes.

The local authority pays roughly £380 per week per resident, but for the past three years there has been no increase in the fees, while those homes have had to contend with rising costs including for fuel, food and even, to a certain extent, staff. So private homes are struggling; if they are small or family-run concerns, the show has been kept on the road with an enormous amount of dedication and hard work. The result is that self-funding residents are often charged significantly more than the local authority-funded residents. I have consulted Age UK, which has consulted lawyers, about whether cross-subsidisation can be proved, because that would be against the law. However, it is difficult to prove, although it strikes me that the discrepancy is so high that some homes must be using the fees of self-funding residents to cross-subsidise the local authority-funded residents.

[Margot James]

The care at home situation is just as bad. The proportion of local authorities providing care to people in moderate need fell from 36% in 2004 to 21% in 2010. I do not doubt that the figure is still falling. That must surely be a false economy, because the less care provided to those in moderate need, the greater the speed at which they will develop substantial needs. In some ways, the home care sector is in worse shape than the residential sector. What I mean is that, in my own borough, the transfer from public to private provision appears to have worked less well for older people who need care at home than for those in residential care. Like the hon. Member for Luton North (Kelvin Hopkins), I have received a steady stream of complaints from the recipients of such home care, and the complaints are always the same, even though the providers might be different. There is a constant change in carers and no consistency of personnel, with a great variation in the standards of care provided, as well as in the kindness and compassion.

Kelvin Hopkins: I am interested in and sympathise greatly with what the hon. Lady is saying. Recently, I spent a day touring with a district nurse professionally employed in the national health service, and I saw the care and compassion that she gave to all her patients, whether it was re-bandaging or dealing with people suffering from cancer, and so on. The contrast between that professional, publicly employed person and what I hear about some of the private providers with inadequate staff is great.

Margot James: I have considerable sympathy with the hon. Gentleman in the context of home care. I find quite a few of my constituents bemoaning the rapid transfer from the local authority staff who used to provide care to the private sector. I am often in favour of bringing in the private sector, but it has to be done carefully and intelligently, and with proper checks and monitoring.

Another point, also made by the hon. Gentleman in his speech, is that carers come at very different times, without any consistency or reliability; they often come too early to help someone get to bed and too late to help them get up in the morning. In too many cases the service is patchy, inconsistent and fundamentally unreliable, and something needs to be done. Perhaps the business model needs to be looked at. It cannot be beyond the wit of an employer to employ more people at certain times of the day. That is probably the only answer, which means that more money might be needed, which I appreciate is a vexed question in the current climate.

I agree with other hon. Members that the Dilnot report is an excellent contribution to the debate, but it has some drawbacks. First, Dilnot has commented—perhaps not in the report but I have certainly heard him in speeches made about the report—that residential care means-testing is the biggest cliff face across the entire gamut of social care policy. Savings of more than £23,250, including the capital tied up in your home—68% of householders aged 65 and over own their homes outright, without a mortgage, so we are talking about a lot of people—disqualify people completely from funding support. No banding, no scaling up or down, only one figure, below which people receive 100% funding support and above which they receive nothing. In response, people have had to sell their homes. We have heard some sad examples, in particular from the hon. Member for Lewisham East (Heidi Alexander), and listening to several contributions I have appreciated the difficulty for people from a working-class background who have struggled and saved and whose assets are small in total. I will make a point about that.

People who are fortunate in their health will not need residential care and will not have to sell their home. For people who need residential care and have no assets and nothing to lose, that is okay as well. However, people who own their own home and need residential care are at a striking disadvantage to others of their age group. That is why I appreciate Dilnot's broad strategy to cap an individual's contributions to the care needed and to raise the threshold at which people become eligible for support. More work remains to be done, however, to identify the actual figures deemed fair and affordable for the taxpayer to fund. Raising the threshold to £100,000 is a bold move, but is it affordable? I do not doubt that that conundrum is on the Minister's plate, and there are more problems with the cap.

Kelvin Hopkins: Dilnot pointed out that £100,000 is a crucial point at which the cost starts to take off, and his proposals would cost £1.7 billion a year, which is not a great deal in the scheme of things. After that, it starts to rise more rapidly. A £100,000 threshold would protect many people, such as my hon. Friend the Member for Lewisham East (Heidi Alexander) and her family.

Margot James: I thank the hon. Gentleman for his intervention. It is true that a £100,000 threshold would provide protection, and I hope very much that we can afford that element of Dilnot's proposals. That threshold would provide a huge amount of help and protection for just the sort of cases that he and the hon. Member for Lewisham East mentioned.

Turning to the cap that Dilnot recommends, I believe that it should be rethought. He said that it should be between £25,000 and £50,000, beyond which no one should have to pay. Although my suggestion would introduce some complexity—I accept that that is a disadvantage—we must consider a scale on the cap that is linked to people's assets. A one-size-fits-all approach, whether it is £50,000 or £25,000, does not reflect the huge variation in house prices throughout the country. The average house price in Dudley borough in my constituency is £145,000, but the average house price in Greater London is £420,000, so for families in my constituency, and perhaps in that of the hon. Member for Luton North, the cap on care represents a third of their assets, whereas for families in London in a house with an average value it represents little more than 10% of that value. That is unfair, and I hope that the Minister and his team will look at ways in which the problem can be overcome.

I am afraid we will to have to ask more of people who have seen the value of their home spiral over the last 25 years. I trust that with better use of resources, and thanks to Dilnot and the Government's commitment to seek a cross-party solution to the vexed problem, we will no longer have to ask people to sell their home to fund their care. However, if we cap the amount that people must spend on care, we may have to ask them to remortgage part of the value of their home to contribute to the overall cost that Dilnot recommends. I cannot see a magic pot of £1.5 billion in the Government's credit balance, so we must be realistic in what we ask them to do. Asking people to remortgage part of the value of their home to contribute to their care is not as bad as the current system, which requires so many to have to sell their home and to invest so much of the proceeds, if not all, in residential care costs.

In conclusion, the reaction to Dilnot has not been as favourable among health and social care managers as it has been among those of us, including organisations outside Parliament, who campaign on behalf of older people. They fear that they will have to find money from their cash-strapped adult and social care budgets. As the other main activity outside residential care is home care—I have described a situation that is far from satisfactory, as have other hon. Members—they fear that there will be less money to fund home care if they have to implement the Dilnot report to fund the higher cost of residential care. I share that concern.

What else can be done? I have said that I do not expect the Government magically to conjure up £1.5 billion in the serious and perhaps worsening economic situation. We must find a better way of managing our resources, and that money must probably come from one of the only protected areas of Government spending—the NHS. Hon. Members have mentioned that the Government have diverted £1 billion from the NHS to social care, and that has been well received, but I do not believe that it goes far enough. NHS spending has risen hugely in the past 10 years, and 27% for the six-year period does not cover the half of it. It does not cover the private finance initiative costs, which have been astronomical.

Too many older people in hospital would be better managed in the community. We have heard about bed-blocking, and that occurs in Dudley borough. People are waiting for residential care places, but the funding is not coming through to meet the need. That funding should be reconfigured more substantially in favour of community care. Many experts who know more about the NHS than I do—the King's Fund, some hospital consultants and so on—recognise that we have too many hospitals. I am not saying that there is an easy answer, and no one wants hospitals on their patch to be closed, least of all me, but there may be a way of utilising that space and resource more effectively. I urge the Minister to discuss that with the Secretary of State to see what can be done. That would be a more fitting tribute to the Dilnot inquiry than trying to implement every detail in his report.

John Pugh *rose—*

George Hollingbery (Meon Valley) (Con) *rose—*

Mr Peter Bone (in the Chair): Order. I intend to begin the wind-ups at 5 o'clock. Two more hon. Members wish to speak, and it is now 4.26 pm. I do not know whether this has been mentioned, but the Leader of the House has attended the debate, which shows its importance.

4.26 pm

John Pugh (Southport) (LD): I congratulate the hon. Member for Truro and Falmouth (Sarah Newton) on securing this debate and on introducing it so lucidly. I do not know whether any hon. Members, apart from me, attended an event in the House earlier this week called, "Preparing for Old Age", and organised by Age Concern and the Prudential. As I went in, I picked up various brochures with rather grim titles such as "What to do when somebody dies", "Paying for care costs", "Insuring against ill health" and "Coping with dementia". I looked in vain for something called, "How to have fun in your 90s", but there seemed to be nothing about that.

We are fortunate to have a Minister to respond to the debate who has a distinguished record in this area, both when in opposition and as a Minister. My reputation in this area has been somewhat more ignominious. I was in Richmond house for the first time when, as leader of the Liberal Democrat group on Sefton council, I was summoned with other party leaders for a dressing down by the then Minister, Lord Boateng, subsequent to a law case that had gone against Sefton, which was not an uncharacteristic event.

We were taken to court by, I believe, Help the Aged, because we took the view that we could resource care needs only according to the resources that the Government had allowed us. We lost the case, and went to Richmond house to explain our side of the story. We were called into a room and waited patiently until the Minister breezed in, gave us a dressing down, told us how tough the Labour party would be with councils henceforward, and sent us on our way. The interesting point is that the press release hit the streets even before we had left the room, so clearly it had been written considerably prior to the event.

Later, when I became leader of the council, I rationed the number of care homes, which were rather more expensive in the public sector than in the private sector, and found that my Labour opponent—he is now the distinguished deputy leader of Liverpool city council—had gone to the press and engineered a photograph showing a 100-year old resident with a placard saying, "Please do not close my home, Councillor Pugh". Unfortunately, we did close it, because it had been endowed to the local authority and was unsuited for its purpose. It was costing us twice as much to run, as indeed were some private sector homes then.

Only the other day, Sefton council had a judgment against it when the freezing of care home fees was ruled to be unlawful. It is a balanced council with three parties in the cabinet. The managing director of the solicitors who took the case against Sefton council said,

> "There is every reason to believe other councils are doing exactly the same as Sefton."

Sefton responded by saying that the court was merely critical of some elements of the process. Sefton is a borough with the 13th highest proportion of people aged 65. The bulk of its controllable budget—it has many contracted-out services—is taken up by social services. Sefton unexpectedly had £30 million up-front costs to find by way of savings. It is completely unthinkable that that could be done without eliminating other departments and without affecting social services in some way. Funding social care is a difficult problem. That is what I have learnt.

Kelvin Hopkins: We hear constantly about the difficulty of funding. The amounts we are talking about are very small in the overall scheme of things. The £1.7 billion for Dilnot would be less than half a penny on the standard rate of tax—that is the equivalent. Free long-term care for all would be 2p on the standard rate, which is

[Kelvin Hopkins]

what my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown) cut the standard rate by before the election. We are not talking about massive amounts. I have spoken to many groups, and if I ask, "What do you prefer—the fear that you could have your house taken away to pay for granny's care or paying 2p on the standard rate?" time and again they will all say, "2p on the standard rate".

John Pugh: We all accept that, whatever it may amount to in the round, it is hard for local authorities to meet their care costs within current budget constraints. It is hard for NHS hospitals that suffer because of people who should not be staying there, who they recognise ought to be in care, but it is sometimes cheaper to keep them in the hospital rather than anywhere else, which is not in the hospital's interest. It is hard for families who have the job of fulfilling caring responsibilities, which can conflict with employment, and it is difficult if they live at some distance from their elderly relatives, as they tend to these days. It is particularly hard for the individuals in need of care and who have increasing costs set against diminishing resources. It will not get any easier for the reasons hon. Members have already rehearsed: an extension of what we might term our declining years; the demographic bulge that we have all spoken about; many carers are taking up their responsibilities at an age at which they are not in, let us say, the first flush of youth; and in terms of social policy we are discovering that neither community nor personalised care are cheap options.

Nevertheless, society has made some significant achievements. Since the great Liberal Government of the early 20th century, the state has underwritten the fundamental problems that used to afflict old age—poverty and infirmity—by providing a safety net. When that reform was introduced, there was the presupposition that families would continue to accept responsibility for elderly members—they usually did—and that people would also look out for themselves to some extent. The old age pension was a mechanism to ensure that they could do that, and people had the opportunity to take still more precautions via provident societies and so on.

However, we have moved on and today we have two central problems. I do not think I have heard other problems apart from these. The fundamental problem that has been cropping up in this debate is that, assuming the system meets basic needs, which I guess it does at the moment, there is the capacity of those needs to become so severe that they can wipe out people's inheritance, and many people regard that as not in the order of things and not how things should be. There is the other problem, which has not been touched on to the same extent, but I get it in my constituency: a sense of injustice about what might be called the free-rider problem. People have told me that they have saved for their old age, and as a result they feel that they have been penalised, because people who have made no effort to save, or who have blown the money prior to reaching an age when they might need it, get the benefits that the savers are to some extent denied. Those two problems seem to linger around the system.

George Hollingbery: Perhaps the problem is even deeper. People in my constituency surgery do not just say that they think others have had a free ride; they say that they are actively advising younger people and their families not to save for old age, because it is no longer worth doing so. Plainly, the system is stacked so far to the advantage of those who do not save that people should not save at all.

John Pugh: The hon. Gentleman has usefully illustrated my point. We can argue that the state does not have a duty to preserve a family's inheritance, notwithstanding the valiant defence of inherited wealth from the hon. Member for Luton North (Kelvin Hopkins). In normal circumstances, that is an unusual stance for him to take.

Kelvin Hopkins: I was defending the small amounts of inherited wealth for relatively poor people, not the vast amounts inherited by very wealthy people. I would substantially reduce the threshold for inheritance tax, but my party would not agree.

John Pugh: We might dispute the borderline between the wealthy people who do not deserve it and the not so wealthy who do, but we have a system in this country, unlike in Germany, where the family has no legal obligation, and we ought to be alert to that. We have already heard in the debate about how some families, in seeking to preserve their inheritance, actually support their elderly relatives, which sometimes is a laudable and desirable outcome. On the free-rider problem, we can argue that, in allowing a reasonable level of retained capital prior to benefits, there is a reward for people if they show a degree of providence. Those who have more than that and therefore do not benefit to the same extent might regard themselves as not simply provident but fortunate.

I am not certain that Dilnot fully addresses the problem. It is too dramatic to say that people have the choice of dying or destitution, or dying before destitution or whatever. Realistically, the option that most people fear is the reduction of their resources to the level that they become solely dependent on the generosity of the state. It seems to me that that is what Dilnot seeks to avoid or prevent. It attempts to deal with the problem that Members have spoken about, which is the total wipeout of a life's accumulated family resources. The issue is whether Dilnot's proposals to cap people's costs have produced a scheme that is both affordable and socially just. It can be argued whether, if someone is vastly wealthy, the cap ought to apply to the same extent.

Whether Dilnot is affordable is not a question that is easy to answer. Does it depend on front-end costs being picked up by adequate and affordable insurance schemes? It depends on the insurers being willing to offer such products. I have spoken to insurers who would prefer to offer annuities or suchlike arrangements, and who question whether they will be in the market to provide the products that Dilnot requires. The other issue is what counts as front-end costs, because we exempt things such as hotel costs. It may be some appreciable time before people get to Dilnot's benchmark of £35,000, or, if they take out insurance, premiums may be higher than we currently imagine. Asking whether Dilnot is affordable is like asking how long a piece of string is. As the hon. Member for Stourbridge (Margot James) illuminated in her speech, it depends on where we set the lines.

Certainly, what is more affordable to Government is likely to be less attractive to individuals and their families, or might be more problematic for insurers. However, the one thing that we all accept, if we ever redesign Dilnot, is that there is a genuine need for cross-party consensus to work out what blend of insurance risk Government and individuals can support.

That is another point we must consider, and perhaps we have not quite got there yet. I understand the cynicism about what the Treasury may or may not be prepared to do, but before it works out what it can afford, we need a degree of consensus concerning what the state's role should be on this issue. We need to know not only about the state's detailed implementation of the policy, but what the purpose of the state is in this business. We must look at how we intervene, and at how we wish to intervene.

4.40 pm

George Hollingbery (Meon Valley) (Con): It is a pleasure to serve under your chairmanship, Mr Bone, and I congratulate my hon. Friend the Member for Truro and Falmouth (Sarah Newton) on securing this important debate. Had I not come last in the roster this afternoon, I would—of course—have made a philosophical, wide-ranging and sparkling speech on the philosophical implications of the Dilnot report. Hon. Members will be glad to hear that I am not going to do that, and I will restrict myself, if I can, to a few small points that have not yet been covered in any great depth. I apologise for being absent from the debate for an hour, but next door to the Chamber the Surviving Winter appeal was being launched. The appeal transfers the winter fuel allowance from those who do not need it to those who do and, if I may make a quick plug, anybody who would like more details about it should speak to me after the debate.

Some difficulties over the local funding of care for the elderly need to be pointed out, and I know that the Minister will have seen the submission to the process by Hampshire county council. My hon. Friend the Member for Stourbridge (Margot James)—who unfortunately is now leaving the Chamber—talked about private citizens having to pay more than the county council for care, and that view is supported in a letter that I received recently from Mr Winterton-Smith, who wrote to me at great length about the difficulties he faces in financing care for his mother.

I looked up some statistics. Market research by Laing and Buisson in "Care of Elderly People UK Market Survey 2010-11" estimates the average weekly cost of nursing care in the southern home counties, which includes Hampshire, as £787. On average, Hampshire county council's nursing care beds cost £650 a week. That is a difference of over £5,000 a year for the private carer, and it is a substantial gap that needs to be looked at.

Hampshire county council's submission shines a spotlight on the number of self-funders in the southern counties, and in Hampshire, nearly 60% of those who receive elder care are self-funders. One imagines that the funding pattern could become enormously complicated if some parts of the country need massive cash inputs to deal with people converting from self-funding to being funded by the state. I point that out in passing because I was asked to do so by Hampshire county council, which I am partially representing today.

I was always attracted to the insurance model; it seemed to be a way of providing for future care in a proper way. Unfortunately, however, it looks as if that model is too complicated for institutions to price properly, and even the guarantee provided by Dilnot does not provide sufficient certainty for insurers to enter the market in any real number. The Joseph Rowntree Foundation and the International Longevity Centre have pushed forward insurance models, but Dilnot speaks about the market and explicitly rejects such models as stand-alone solutions. He believes that insurance models can be part of a solution and that some schemes will help, but the overall model is rejected.

Policy Exchange—not the favourite think-tank of Opposition Members, I know—published a report last year entitled "Careless." I have spoken widely about countries such as Germany and Japan that have partially insurance-funded models of care, but are beginning to struggle with the implications of rising costs, and such models are beginning to look unsustainable. The Policy Exchange report gives a figure of £106 billion for the full cost of replacing care that is provided throughout the community, both privately and publicly, to those who need elder care. All sorts of perverse incentives might arise in a system that provided universal care. People who now provide care for nothing would, quite understandably, not provide it in the same way as they used to. The sum of £106 billion is a frightening figure to consider. I have no particular basis on which to back up that number, however, but I merely cite it from that report.

We have talked a little about the link between adult social care and health spending, and cross-departmental spending. When I was reviewing the literature, I noticed a reference to a spat that occurred in County Durham when the local PCT spent money on gritting the roads. It did so because it felt that it was a good way to prevent accidents and stop people needing adult social care. To me, that made a great deal of sense. The council, however, got into the most terrible trouble; all sorts of newspaper articles said that it was foolish or idiotic and did not know what it was doing. The harsh reality is that trips and falls cost the health service money, and they cost many elderly people their independence, and later their freedom.

The council's decision is exactly the sort of thinking that led to what I will happily call the excellent Total Place initiative launched by the previous Government. That agenda has real potential to provide some of the funding that we require to solve the problem of care for the elderly in the long term. Breaking down the barriers between Departments, and pooling spending to deal with complex objectives, are ideas that the coalition must pursue if we are to make real inroads into solving problems such as the care of older people in times of increasing complexity and tighter spending.

Sarah Newton: My hon. Friend makes an incredibly important point. Does he agree that we have huge unmet housing needs for the ageing population, and that we have not thought about the types of homes that would most appropriately enable people to live comfortably at home? By planning services in a particular location, all the aspects that impact on whether people live healthier and longer lives could be better developed and delivered.

George Hollingbery: I am grateful for that intervention, which leads me neatly into my next point, which is always the danger of briefing one's colleagues about what one might say, then being called last in the debate.

There could be a great deal of entrepreneurial thinking on cross-departmental spending and other areas that do not immediately seem relevant to social care. As many of my colleagues will know—including the hon. Member for Lewisham East (Heidi Alexander) who is a member of the Select Committee on Communities and Local Government—I am slightly obsessed with planning and I have become an appalling anorak since I came to Parliament whenever we talk about planning. I believe, however, that there is potential in the planning system to mitigate costs. If, when designing new communities in major and strategic development areas—6,000, 7,000 or 8,000 houses at a time—we plan properly for the needs of older people, and build the right sort of accommodation and adaptable homes that can be used in future and adapted later, people will be able to stay in their community and be close to their support networks. If such centres are built near shops, supermarkets and hairdressers, people can carry on living in the same place for a long time. By then moving a few hundred yards out of their house into one of these facilities, they can leverage the asset that they have grown over the years and look after themselves more efficiently.

In short, this issue is not only about adult social care or Department of Health budgets: we need entrepreneurial thinking across the public sector to ease the problem. I hope that the Minister will encourage all his colleagues across Departments to do just that.

4.47 pm

Liz Kendall (Leicester West) (Lab): It is a pleasure to serve under your chairmanship, Mr Bone, and a pleasure to follow the thoughtful speech by the hon. Member for Meon Valley (George Hollingbery). I agree with many of the points that he made and I will come on to discuss them. I also thank the hon. Member for Truro and Falmouth (Sarah Newton) for securing this debate, and all other hon. Members who have spoken.

I will begin not with how we are going to fund the future system of social care, but with the "crisis in care" that older and disabled people, and their carers and families, are experiencing. Those are not my words but those of the Care and Support Alliance, which is an alliance of 52 major organisations representing older people, disabled people, their carers and families. It is important that we are clear about the state of the current system and the scale of the task we face. It will mean difficult decisions for all political parties.

I will begin with a point that has already been made by several hon. Members. Under the current system, there are substantial levels of unmet need. Although the Association of Directors of Adult Social Services is right to say that that need is difficult to quantify precisely, the King's Fund has estimated that the unmet need gap in the current system is around £1.2 billion.

Those unmet needs are increasing. To a large extent, that is because of our ageing population. That is a good thing, but it means that more people are living to a very old age with one, two or perhaps three long-term, chronic conditions, such as dementia. We simply have not seen that in the past, and it is happening at a time when budgets for both the NHS and social care are being squeezed and they are not changing sufficiently fast to meet the changing needs of our population.

However, unmet need is also growing, because councils are tightening and restricting their eligibility criteria for services. Eight out of 10 councils now provide services only for people with substantial or critical needs, and as my hon. Friend the Member for Lewisham East (Heidi Alexander) said, those are people with very real and serious care needs, not simple needs. "Substantial" means very serious needs.

Mencap says that 83% of councils are meeting only substantial or critical needs for adults with learning disabilities. That is up from 73% only one year ago. Nine out of 10 councils have increased their charges for both residential and domiciliary care. Many councils are restricting the time allowed for home visits. Help At Home, one of the biggest home help providers in Leicestershire, told me at my surgery last Friday that Leicestershire county council is paying for blocks of 15 minutes of care, down from 30 minutes previously. It told me that if the carers go just over that, the council rounds down the time for which it will pay. That is causing huge problems, first and foremost for older people. In many cases, it is simply impossible to get an older person up, washed, dressed and fed in such a short time. It is also causing a problem for staff who, once unpaid travel times are taken into account, are not even earning the equivalent of the minimum wage in the course of a working week. As a result, Help At Home is losing staff and finding it very difficult to recruit new staff, which the organisation simply has not experienced before.

It is clear that one of the fundamental reasons for tightened eligibility criteria, increased charges, and reductions not only in preventive services but in services such as day care centres is the cuts to local council budgets. The Government say that they are providing £2 billion of additional funding for social care in the course of the spending review period. The Association of Directors of Adult Social Services says that the reality is that social care spending has been cut by £1 billion this year, with even bigger cuts likely next year. Analysis by the House of Commons Library shows that, according to Department for Communities and Local Government figures, there will be a real-terms cut of £1.34 billion to adult social care in the Government's first two years once inflation is taken into account; £1.3 billion is being cut from social care spending for those over 65.

The figures are based on the assumption that councils receive every single penny of the money that the Government say is being transferred from the NHS to local councils. In many cases, that is happening, but I have been told by several leads for adult social care that they are not getting all the money, and that that applies particularly to money for carers. The reality is that local council budgets are being cut by 27% during the spending review period and that that will have an effect on adult social care, because social care budgets are the biggest discretionary spend for local councils.

The Government say that there is no reason why local councils should end up cutting social care services because of the cuts in council budgets. I just point out that the Government have readily said that councils need extra money to pay for weekly bin collections. I ask hon. Members to reflect on that sense of priorities.

The consequences of the decisions are being felt by older and disabled people, who, as my hon. Friend the Member for Lewisham East also said, have been denied the up-front preventive services and support that could keep them healthy and independent in their own home. Older people, whether that is the old old or people aged 65, like my father, do not want to be reliant on any kind of help. They want to be independent. Our goal is not to be dependent on any kind of help from the state, but to live independently for as long as possible. However, the help and support that people could receive to achieve that independence is not happening. The consequences of the cuts and decisions are being felt by families and carers. Many hon. Members have talked about the pressures on carers, many of whom are at their wits' end struggling to make ends meet, at grave risk to their own physical and mental health.

Something that has not been mentioned in the debate is the fact that the consequences are also being felt by businesses and the wider economy, as companies lose the skills and experience of carers who are forced out of the labour market because there is not enough affordable, good-quality and flexible social care to allow them to stay in their job. That problem will only get worse as people are required to work longer before they retire, and care longer at the same time.

The consequences are also being felt by taxpayers, as older and disabled people end up using more expensive hospital services when they do not need to. Several hon. Members have rightly said that delayed discharges from hospitals are up by 11% in the latest month for which data are available compared with the same time last year. That is because we are not getting the right system in place, which costs us all more in the long run.

I want to be clear: I firmly believe that we can make far better use of existing resources if we genuinely bring together health, social care services and other services such as housing and shift the focus not only more towards prevention, but much more towards a personalised service. I am grateful that the hon. Member for Meon Valley talked about the Total Place work under the previous Government. We must begin to see all these local budgets as one pot of money that can be used.

Hon. Members will have many good examples from their constituencies of ways in which preventive services have saved money. One example from the time of the previous Government is the partnerships for older people projects, which brought together health and social care around individuals' needs. Overnight hospital stays for people in the projects were reduced by 47%; accident and emergency attendance was reduced by 29%; and once all the other services such as occupational therapy and physiotherapy were taken into account, £2,166 less per person was spent, so there is huge potential.

Even if we get those big shifts in the way in which services are run, more funding will be needed for the system in future. That is why the Labour party has offered cross-party talks on the proposals set out by the Dilnot commission. As hon. Members have said, there is widespread, although not total, consensus in favour of the commission's proposals. We are serious about engaging in meaningful talks on the Dilnot proposals as a step towards a better system in future. We have set aside our experiences before the last general election, when very unhelpful comments were made, which wasted an opportunity for cross-party consensus.

If talks are to be serious, meaningful and successful, four key things need to happen. We have written to the Secretary of State setting them out, and I will outline them now. First, all relevant Departments must be engaged in the process. Securing agreement on the funding and implementation of the Dilnot proposals goes far beyond the remit of the Department of Health and the Health Secretary. The engagement of the Treasury is particularly important in the process.

Secondly, we have suggested that there should be an independent chair for cross-party talks, as we believe that that would make a successful outcome more likely. Thirdly, we think that an agreement is far more likely to be reached if there is transparent access for all parties to policy advice and information. We have suggested having an independent secretariat to provide equal access to the negotiating teams as required. Finally, we have requested that the leaders of the three main parties meet to agree a clear timetable for talks, with a view to securing a successful outcome and a joint statement before the publication of the White Paper next spring.

I think that many organisations representing users of social care and carers would agree that such steps are vital. If we are serious about cross-party talks to get all parties to sign up to big future public spending commitments, the talks need to be serious, and they need to have a serious process. I need not say this: such an agreement will be extremely difficult and challenging to reach in our antagonistic and combative political environment.

Kelvin Hopkins: I am listening with interest to my hon. Friend, but I am slightly concerned that there might be—if one likes—a conspiracy between the Front Benchers of the different parties to keep down expenditure rather than do what is needed. It might mean the Labour party saying, "We are going to have to spend more," and raising the revenue to pay for it.

Liz Kendall: I am under no illusion about the scale of the funding challenge to meet the needs of our ageing population. Funding the current, unfair and ineffective system of social care will cost £12 billion by 2025. The Dilnot proposals, on top of that, cost more than £3.5 billion. Dilnot is an important step that we want to have genuine talks about, but it will not solve the entire problem that we face about the future of social care. Yes, we can make a big difference by looking at how we join up health, social care, housing and other spending, but there are clear implications for all parties in taking the matter forward, and we all need to be aware of them.

Barbara Keeley: My hon. Friend is making a good argument, and I am heartened by what she is saying. However, if the implications that she has just helpfully outlined exist, the debate has to be taken out to people. If there are implications for taxpayers, they have to know what they are. Many Members who have spoken today have said that it is quite clear that people do not understand or plan for care, and then the costs hit them. The debate out there, in addition to the essential cross-party talks, is important.

Liz Kendall: I could not agree more. The deal must not be done behind closed doors. There has to be a discussion between political parties, but most importantly, there has to be a discussion with the public—not just the current users of the system and their carers, but people who are not in the care system and younger people, who are working now and who will have to understand the issue. We have to have a full and proper debate.

John Pugh: During the previous general election, we all had a number of hustings meetings. Whenever the topic cropped up, a theme that came across forcibly from all members of the public was that they wanted the parties to discuss the issue together and that they were rather saddened by what happened immediately before the election.

Liz Kendall: I was not a Member of Parliament then, but from my own experience in hustings, I think that people feel let down when such an important issue becomes a political football. The hon. Member for North Norfolk (Norman Lamb), who was the health spokesperson for the Liberal Democrat party at the time, did not engage in that kind of behaviour. I do not want to go over old ground.

We need to discuss the matter, but it will be difficult. We all know what politics is like, and how parties use things to get at the other side. The issue will not be easy—it is about public spending and implications for individuals. What will they and taxpayers have to pay? We would be kidding ourselves if we thought that the issue would be an easy one.

I agree with all hon. Members who have said that the issue is one of the biggest challenges that we face, even if that is a cliché. We all think about it for our constituents and in our own families. I think about it, as many other hon. Members do, for myself, as I hope to live to a ripe old age. It will be a difficult challenge, but I hope that today's debate shows that we are at least prepared to engage with the difficult issues to take the debate forward.

5.4 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate my hon. Friend the Member for Truro and Falmouth (Sarah Newton) on securing the debate. By doing so, she has demonstrated the breadth and depth of her interest and expertise, and the breadth of interest across the House, in the issues. Such debates are not always as well attended as this one. As you rightly noted, Mr Bone, the Leader of the House also attended for a while to listen to our deliberations, which speaks volumes about the importance that the Government attach to the issue.

I am delighted that so many members and officers of all-party groups took part in the debate. This is the second time this week that I have had the pleasure of the company of the chairs and other officers from a number of those all-party groups. Earlier in the week, I hosted an event in the Department of Health with APG chairs to discuss with them their thinking about the way in which we need to respond to the challenging agenda and to input into shaping the White Paper that we will publish—in answer to the hon. Member for Banbury (Tony Baldry)—next spring. When I was asked at the meeting, I confirmed that we are aiming for April—that is what we mean by spring for this purpose—and I can reconfirm that today.

I very much agree with the remarks of the hon. Member for Worsley and Eccles South (Barbara Keeley), which were echoed in many contributions in this debate, about the need to have cross-party discussion and secure a cross-party agreement. One reason why we need to do that is that social care law has been very overlooked and neglected. The Law Commission report that came out this May quite rightly pointed out that our social care legislation has evolved over 60 years in a haphazard and piecemeal way. The confusing legal system is one of the reasons why social care has such a complex system, and why so many judicial reviews take place. We need a consensus to secure a legal reform that will last the test of time.

First, I would like to respond to some of the points made about the current situation of social care funding. I find it heartening that some of the points rehearsed in the debate acknowledged that the fragility of our social care system is not new—it did not start 18 months ago but is the pattern of many years, which we, as the coalition Government, are trying to address now.

I am not going to deny that things are tough, or that no council has had to make difficult decisions; it has not been an easy time for anyone. Difficult decisions have had to be made across Government because of the economic situation that we currently find ourselves in. However, the funding landscape is not as simple as I think some would like us to believe. The headline story of a Government intent on slashing social care services no doubt makes good copy, but it is not borne out by a closer examination of the facts.

In the previous spending review, which we announced last October, we provided an extra £7.2 billion over four years up to 2015 to protect social care, partly through councils and partly through the national health service. The aim was to alleviate the potential pressures on the adult social care system in what would be a challenging overall funding settlement for local government; that point has been rehearsed quite clearly by a number of colleagues in this debate.

We recognised that this year would be particularly tough. We have front-end loaded the funding for the first two years to insulate social care from cuts to local authority budgets, on which I will amplify a bit. Combined with a focus on efficiency, we believe that the additional funding that we have provided will enable councils to protect people's access to care services. That is not just our view but the Local Government Association's view, put forward in its submissions to the spending review. The King's Fund also said in its report, "Social care funding and the NHS", that central Government have put enough money in to protect adult social care services, provided that there are rigorous attempts to improve efficiency.

However, as the hon. Member for Leicester West (Liz Kendall) and other hon. Members have said, spending is falling. Budget data collected by the Department for Communities and Local Government from local authorities suggest that social care budgets are around £200 million lower than last year, which is a reduction of just over 1.5%. However, it is not inevitable that reductions in spending lead to cuts in front-line services. The hon. Member for Worsley and Eccles South quoted the

Association of Directors of Adult Social Services, which had an interesting survey of their members that was published earlier this year. Boil it down a little further and what we find is that for every £1 that has been saved or taken out of spending in social care by local authorities, 70p can be attributed to efficiency savings. It is not about taking services out from the front line, but service redesign.

Yesterday, the Local Government Association released a prospectus inviting councils to take part in its productivity programme for adult social care. It said that there is scope for efficiency. In its foreword it said that if councils develop plans in line with policy objectives such as prevention and personalisation, they will minimise the impact of reduced funding for the front line, which is why I welcome the work that it is doing to recruit councils to its programme. From there, best practice can be shared with other councils to ensure that they are not making bad decisions when it comes to their budget choices.

Barbara Keeley: I understand the issues about efficiencies and the need to make changes such as the move to personalisation. However, from my experience—as I have said, I am in a local authority that is protecting social care—efficiency savings have caused our primary care trust to give up active case management for people with long-term conditions. Personalisation of personal budgets has meant that Age UK has not been able to conduct similar active case management for older people or to run drop-in centres for carers of people with dementia. Sometimes the change and the churn also cause loss. We have not touched today on the reorganisation of the NHS, but that has had an impact on things, too. I understand that we are in a system in which certain changes are good but can result in a loss of services that really impacts on people.

Paul Burstow: I am not seeking to hide or resile from that. What I am trying to do is demonstrate that the picture is not uniform or consistent. I want to quote some further evidence that supports that point of view, but first let me make it clear that of the £900 million that the ADASS survey identified as having been taken out of social care spend, 70p in every pound came not from cuts in front-line services but from service efficiencies and redesign. That very point was made by a number of hon. Members in the debate.

Heidi Alexander: The Minister is talking about efficiency savings within adult social care services, but would he accept that as every day goes by, demand for those services is increasing because of the needs within the existing population? May I press him a little more on the point made by my hon. Friend the Member for Leicester West (Liz Kendall)? Does he not think that his colleagues should be making greater protestations about decisions taken within local authorities? Rather than focusing on the bins, as my hon. Friend said, we should be talking about the needs of the elderly population and perhaps giving local authorities a bit more direction. Will the Minister tell us his views on that?

Paul Burstow: I do not believe we should micro-manage the decisions of every local authority. We should not dictate to local authorities about how to manage their resources. One message that came from local government before the election, which we, as a coalition, have responded to, was the desire to remove ring fences from budgets to give councils maximum flexibility. Total Place is exactly what that is about. It is about using budgets smartly to meet local needs in the best way to fit the community's circumstances. In the past, such flexibility was constrained by the number of ring fences.

I have also picked up on some scepticism in the debate about the additional funding that is being provided through the spending review for adult social care via the NHS. There was some question as to whether or not that money was getting through. Of the £648 million for this year, nearly half has already been transferred—we know that from surveys that we have conducted—and agreements are in place to transfer the remainder. As to the reference to the money for carers, that was not part of this social care transfer; it was a separate requirement under the NHS operating framework. I am more than happy to debate that at a later stage, but right now I need to try to cover the main points in this debate.

Both primary care trusts and local authorities are positive about the development of these particular funds. They have seen them as a lever for more joint planning and co-operation. The feedback that we have had to date shows that the money is being spent on what it was intended for—prevention and rehabilitation, re-ablement, early supported hospital discharge schemes and integrated crisis response services. I am saying not that the money is a panacea but that those funds are making a difference in the communities in which they are being used smartly by the NHS and social care organisations. Times are tough and I am not going to pretend otherwise. Although I can present a relatively positive picture nationally, there are areas where cuts to front-line adult social care services are really beginning to bite.

Although some councils have coped with the cuts by tightening their eligibility criteria, it is not fair to suggest that that started in May last year. The trend started back in 2005. The way in which councils define and apply eligibility criteria is not consistent from one borough to the next. We will address those issues of definition as part of the review that we are taking forward in the White Paper.

Kelvin Hopkins: Even squeezing at the margins means that more people will suffer and not get the care that they need. In other fields we spend more freely, relatively, and yet we are squeezing in this area. The Minister said that 70% of the cuts in spending is to deal with inefficiencies, but 30% is real front-line spending, which means that some people are suffering.

Paul Burstow: I am trying hard to be reasoned and respond positively to the points that have been made. I am not trying to dismiss things. I am not making a speech that pretends that everything is perfect. I am trying to engage seriously with the real problems that local authorities are having to grapple with. I am also trying to set out that there are different ways of doing things. Some councils are choosing to do things differently and in ways that allow them to protect the quality of the service and the outcomes for the individual. That is the test that is most important to me.

In regard to eligibility, the hon. Member for Worsley and Eccles South asked about portability. It is one of the 76 recommendations in the Law Commission report.

[Paul Burstow]

In the "Vision for Adult Social Care" that we published last November, I said that we are minded to progress the idea of portability in assessments. There is further debate to be had about how we translate that into portability of outcomes and services, and that is one of the issues that we are considering in the White Paper.

As I have said, we have a mixed picture across the country. It does not bear out the simplistic formula of "less money equals more cuts." Age UK and WRVS are publishing a report which I will read with interest when it comes out. An illuminating report was published in September by Demos and Scope, which looks at how disabled people have been affected by budget changes in local authorities. We might expect to find that the biggest cuts in front-line services are made by the councils that face the most dramatic cuts in their income, but that is simply not the case. Demos's report suggests that there is no direct cause and effect. The councils that it applauds for coping the best have not enjoyed the most generous settlements, and they are not concentrated in the most affluent areas. Rural and urban areas and rich and poor areas are found in equal measure at both the top and bottom of the table.

There are tough choices to be made in every town hall as well as in every part of Whitehall and in the national health service, but we need the choices to be smart, too, Places such as Tameside have invested in re-ablement services that help people back to independence after a period of illness and ultimately reduce their care needs. Tameside estimates that that saved it £2.3 million, which it then reinvested. Somerset county council has commissioned a number of projects that use volunteers to help people with low and moderate care needs to run their own groups, form friendship circles and keep in touch with activities available in their local community.

The West Sussex-based Carewise service was recognised by *Which?* magazine as a model of best practice. It helps older people who pay for their care to plan their futures. Planning, which is all too often absent, has been a theme of the debate. The organisation ensures that people get good financial advice. We are talking about improving services through integration, which is another important theme of the debate as is the use of personal budgets. Those budgets are now being rolled out through the trail-blazer pilots for direct payments for social care, for personal health budgets and for personal budgets in respect of Supporting People. Such changes begin to give the individual the opportunity to have a Total Place approach to the way in which they use resources and allow resources to be used to best effect.

When I went to Knowsley last year to see what was being done on integration, the most powerful aspect of the approach used was the fact that it involved thinking about "the Knowsley pound." And in Torbay, which I also visited, the approach there was to look at everything through the eyes of "Mrs Smith." It may not be appropriate in every community to look through the eyes of a "Mrs Smith," but in Torbay it was thought appropriate. Officials in Knowsley and Torbay made the leap in the approaches that they took to see money not as theirs—to be held within the boundaries of their institutions—but as their community's money, to be spent wisely on behalf of their community. That is the essential ingredient in delivering effective use of public money in times of austerity.

That brings me to the case for reform. Despite the funding challenges, there are steps that councils are able to take now to improve social care services and I hope that they will take those steps.

I will talk about reform in detail. I have been in the House for 14 years, so I am now entitled at least to have a sense of déjà vu about this debate, like some other Members who have been in the House for a long time. However, I think we are at a different stage in the debate. We are building on the work that has been done—the listening that has happened and the engagement that has taken place—over many years. Indeed, in framing the terms of reference for Andrew Dilnot, we set him the task of looking at everything that had been done in the past 13 years to ensure that we did not just reinvent the wheel and that we learned from what had been heard already. I am keen that we continue to do just that.

I am also keen that in this debate we address a very important issue about understanding, which is the issue about the nasty little secret at the heart of social care. It is a secret that we MPs all share and know about, but seven out of 10 people in this country do not know about it. It is that social care is not free and in fact has never been free. At the moment, we are in a situation where people look at the proposals that Andrew Dilnot has put forward and he is judged not against the standard of the reality of our experience of social care, which has been so well described in this debate, but against a fantasy of social care that is free, just as the NHS is free. All of us in this Chamber and all of us who have an interest in reform in this sector need to ensure that we do not allow that fantasy to get in the way of judging Andrew Dilnot's proposals fairly.

That is a key part of how we can ensure that we make progress in this area. Indeed, it is key because of the catastrophic costs that people face. Those costs have been touched on by my hon. Friend the Member for Southport (John Pugh), and by the hon. Members for Lewisham East (Heidi Alexander) and for Luton North (Kelvin Hopkins). They talked about the anger that people feel that they have saved, worked, invested in their lives and been thrifty, only to have it all snatched away at the point that they are in need of support from the system. That issue of fairness is part of what we asked Andrew Dilnot to look at.

I want to make two more comments before I sit down for the concluding speech. There has been talk about the cap, about whether it does anything for carers and about changing the way that the system works. I want to make a suggestion that people need to think about. The cap has to be metered. People have to enter the system and then move towards the cap. The way that we design the meter is the way that we incentivise prevention; the way that we design the meter is the way that we build carers in and respect and value what they contribute. I hope that people will think about that in the weeks remaining before we conclude our process of debate and deliberation, leading up to the White Paper next year, because that is one of the ways in which we can redesign the system to be a system that is about supporting what people can do, that is about enabling communities to support people and that is about enabling families to contribute in the way that they want to.

My final comment is that I have found this debate to be very helpful and a useful airing of the issues. I hope we shall continue to debate these issues in Parliament and continue to have the debate in the community. But it is not just an open-ended debate; it has to be a debate that is closed and that comes to conclusions. That is what the White Paper is about. The White Paper is the conclusion of 14 years, as far as I am concerned. It is about how we get to the next stage.

I was asked about legislation. Let me just say that it is well above my pay grade to be the one who announces what will be in the next Queen's Speech; I probably would not be a Minister for much longer if I were to do that today. However, when the decisions are made we will have looked at this process and the White Paper outcomes, and I hope we will be in a position to legislate at the earliest opportunity. Social care has languished and rested in the "too-difficult-to-do" box for far too long. We are the Government who are committed; we see the urgency and the need. I hope that together we can get the cross-party lead that results in the changes that are long, long overdue.

5.24 pm

Sarah Newton: Thank you very much indeed for calling me to speak, Mr Bone.

This has been a really interesting debate and I am very grateful to the hon. Member for Lewisham East (Heidi Alexander), my hon. Friends the Members for Stourbridge (Margot James), for Banbury (Tony Baldry) and for Stroud (Neil Carmichael), the hon. Members for Luton North (Kelvin Hopkins) and for Worsley and Eccles South (Barbara Keeley), my hon. Friend the Member for Meon Valley (George Hollingbery), the hon. Member for Leicester West (Liz Kendall) and my hon. Friend the Member for Southport (John Pugh) for their contributions. There were numerous very helpful and constructive interventions from colleagues who had to join the debate in the main Chamber or go back to their constituencies.

I think I speak on behalf of us all when I say how much I welcome the tone of the Minister's response, the commitment to producing the White Paper in April and his clear desire to wrestle with this issue to ensure that it does not disappear into the "too-difficult-to-do" category. He also showed a clear desire to work with all parties and to continue to listen to the concerns of the chairs of the all-party groups, who come from all parties represented in the House, in further dialogue and debate while he and the Government develop their White Paper.

Although we cannot do it in the format of today's debate, it would be very helpful to hear the Minister's response to the specific request made by the hon. Member for Leicester West about the nature of the cross-party negotiations that were proposed. That would give us all a great deal of confidence that there was a proper process in place to achieve cross-party support before the White Paper is produced, because that cross-party support would indeed enable the White Paper to have the best possible chance of becoming legislation at the first opportunity, which would allow the Government to start to address these issues.

I thank the Minister for his words of encouragement and I thank everybody who has participated in the debate. And Mr Bone, it will not surprise you that I am sure that as a result of this debate, and because of the number of Members who were not able to get to Westminster Hall to speak in the debate that they really wanted to speak in, you and the rest of the Backbench Business Committee will receive another request to have a further debate on this vital issue in the main Chamber, probably in January, when the work of the Health Committee, which is examining the area of social care funding, is completed and when the Minister has had opportunities to have further cross-party discussions. Thank you, Mr Bone.

Question put and agreed to.

5.27 pm

Sitting adjourned.

Westminster Hall

Tuesday 15 November 2011

[MARTIN CATON *in the Chair*]

Eurozone Crisis

Motion made, and Question proposed, That the sitting be now adjourned.—*(Greg Hands.)*

9.30 am

Mr John Baron (Basildon and Billericay) (Con): Good morning to you, Mr Caton. In raising concerns about the UK's liability to the eurozone bail-out via its contributions to the International Monetary Fund, I will ask various questions of the Minister. I will question the assumption that we always get our money back, whether the IMF's policy will work and why the IMF should be getting involved at all.

That we are talking about large sums of money cannot be denied. Our liability through the European financial stabilisation mechanism totals some £6.5 billion. Our liability through the bilateral loan to Ireland exceeds £3 billion. Despite Government assurances to the contrary, it does not stop there. Our IMF liability to the Greek, Portuguese and Irish bail-out packages announced before May 2011 totals some £3.5 billion, and that does not include the latest Greek bail-out. Adding in our additional contributions, which are almost doubling—from some £10 billion to nearly £20 billion—it is obvious to all that we are soon talking some big figures. I do not think the Minister can deny—I shall welcome his intervention if he thinks otherwise—that some of the additional IMF money will be routed through to the eurozone crisis. Therefore, the Government's claim that our liability stops with the EFSM and our bilateral loan to Ireland simply does not wash.

Let me be clear: I support the IMF's work. IMF programmes can and do work under certain conditions. However, there are real risks to those IMF contributions routed through to the eurozone crisis.

The Government take great comfort from the fact that no country that has lent money to the IMF has ever lost that money. However, this recession is very different. Having been a fund manager in the City of London, running pension funds, charity money and funds for private clients, I know that it is always dangerous to say, "This time it is different," but economic history makes that clear. Recessions since the great depression have always been de-stocking events, where the problem has been a fall in demand. In response to that, the Keynesian approach of stimulating the economy through additional demand—if necessary, by borrowing—has by and large done the trick. This recession, however, is a deleveraging recession, which has been built on excessive debt. Governments and consumers have taken on too much debt. Demand is not the issue; excessive debt is. The only remedies for this recession are to pare down the debt and attain greater growth through increased competitiveness.

I worry that the Government are underestimating the scale of the debt. There is £300 billion-worth of Italian debt to be rolled over in the coming 12 to 18 months. The eurozone went to the Chinese, who have massive reserves, but the Chinese did not want to know. The fact that the IMF wants an additional £10 billion from us clearly suggests that it does not have our original £10 billion. The Government would be foolish to ignore the omens. Does the Minister accept that there is at least some risk that the UK could lose some of the money routed through the IMF to the eurozone crisis? Again, he is welcome to intervene if he so wishes.

Mark Reckless (Rochester and Strood) (Con): My hon. Friend refers to £10 billion and another £10 billion. I understand that when the issue was discussed in the Joint Committee on Statutory Instruments, the Minister said that, broadly speaking, our liability to the IMF would be £20 billion. However, I understand that another funding source exists that may mean that our liability is already £40 billion. Can my hon. Friend enlighten us?

Mr Baron: My hon. Friend is right to raise that issue. There is an additional liability that we know relatively little about, because the Government have not come to the House to explain it. I hope the Minister will take the opportunity in this debate to address that concern. Is that true? What is the extent of the liability? How would it be called upon in the event of certain contingencies?

Mark Field (Cities of London and Westminster) (Con): My hon. Friend referred to the idea that we have never—hitherto, at least—lost money to the IMF. Does he recognise that there is potentially a huge opportunity cost in lending money, often at low interest rates, to the IMF? As he will know, Parliament was told at the time that the bilateral deal struck with Ireland had tremendously advantageous interest rates. There has been a haircut on that interest rate across Europe, which could well happen to any future IMF contributions that we make.

Mr Baron: My hon. Friend is absolutely right. There is a real danger that we underestimate the extent of the debt and the defaults that could happen. One is not joining the bandwagon of warning signals. The debt that has to be rolled over is quite clear for all to see, but I do not think the Government are acknowledging that. Simply to fall complacently back on the fact that no money ever loaned to the IMF has been lost is to miss the point completely.

Ian Paisley (North Antrim) (DUP): I congratulate the hon. Gentleman on securing the debate. He mentioned a number of times the bilateral loan, which is of significant interest to my colleagues and me. He may be interested to know that last December, I wrote to the Chancellor to suggest that Her Majesty's Government should hold the deeds of all properties in the United Kingdom that are in the possession of the National Asset Management Agency, the Irish state bank, so that it cannot disproportionately influence our market by the unilateral sale of those properties. Does the hon. Gentleman agree that that is one way of protecting ourselves and our own local market against NAMA?

Mr Baron: That is certainly one option that should be explored more thoroughly. I referred to the Irish loans because the Government line to date has been that our liability to the eurozone crisis stops at the bilateral loan to Ireland and at our existing £6.5 billion contingency liabilities to the EFSM. That is simply untrue, given the additional contributions through the IMF.

[Mr Baron]

Will additional IMF funding work? That will simply reinforce existing eurozone policy, which is itself fundamentally flawed. The existing policy simply does not address the core causes of the crisis, which are a lack of competitiveness and Governments spending too much. Debt is the problem, as I have said, not demand. We have had 14 or perhaps even 15 gatherings, conferences and summits to save the euro, but each has failed to address the core reason for the problem, which is a fundamental lack of competitiveness. Where are the swathes of cuts to regulation? Where is the introduction of measures to improve competitiveness? They simply have not been there. All that has happened, and all the concern there has been, is to put together more debt to solve an existing debt crisis.

Mr Douglas Carswell (Clacton) (Con): The Government say that no one has ever lost money by lending to the IMF. Can my hon. Friend tell me whether the IMF previously lent money to make a debt crisis worse, as it is now doing? Previous IMF bail-outs involved a debt default or restructuring and devaluation, not more bail-outs and borrowing. Surely, putting the IMF in charge in that way is making things worse. Putting Christine Lagarde at the helm is a bit like putting a debtor in charge of a bank.

Mr Baron: My hon. Friend nearly stole one of the lines I was about to come out with. Fundamentally, I agree with him. The problem is caused by excessive debt: that is what makes this recession different from previous ones, yet the solution the eurozone leaders have come up with is to pile on more debt. That is not the solution. All it is doing is reinforcing failure and failed policies.

There are further reasons why this policy will not work. I cannot think of a monetary union in the economic history of this planet that has succeeded without fiscal union also being in place. Again, I call on the Minister to intervene if he can correct me. To pursue monetary union without fiscal union is a doomed policy. Can the Minister come up with one example of successful monetary union in a country where fiscal union has not also been present? As I say, I would welcome his intervention, but I doubt that he will have such an example.

As my hon. Friend the Member for Clacton (Mr Carswell) has suggested, another reason why this policy will fail is that it fundamentally ignores the importance of devaluation to recovering economies. Usually, there are three elements in an IMF package: reduced spending, increased revenue and the ability to allow the currency to devalue. That last bit is important because a currency that devalues helps to take the strain off the economy. If an economy is deemed to be, say, 25% uncompetitive compared with its neighbours, allowing its currency to depreciate to about the same extent will go a long way towards taking the strain. If we cut off that option, that 25% gain in competitiveness can really be brought about only by cuts to public services, salaries and pension funds. That is simply not an option, and for that reason it makes those austerity packages so much worse.

To my knowledge, the IMF has never lent to a country or put in place a programme in a country that cannot devalue, which is why the Government line that only three of the 53 IMF packages go to the eurozone is disingenuous. Can the Minister name one country, one package in those 50, where devaluation is not an option? That is the fundamental difference. In the three packages in the eurozone, devaluation is off the table, which will make the austerity packages worse.

Having asked the Minister several questions, I was hoping that a number of notes would have been passed to him so that we could get some answers. I am sure he has pre-empted my questions and has the answers in his brief. Again, I would welcome him intervening to name one of those packages outside the eurozone in which devaluation is not an option. They do not exist. Devaluation is terribly important when it comes to an IMF package, but we are not allowing that option in the eurozone. That is another reason why these IMF packages will fail.

Neil Carmichael (Stroud) (Con): When the IMF intervened in our economy in 1976, when Denis Healey was fighting to save the pound, that intervention arrested the devaluation of the pound.

Mr Baron: I agree to a certain extent, but my hon. Friend cannot deny that we had the ability to devalue. The currency markets could take the strain and, to a certain extent, they did. If we look at the strength of the pound since the second world war, we see that it has been a sorry tale of devaluation. Had that devaluation not taken place and had we been locked into a system that did not allow devaluation, my goodness me, the austerity packages introduced to compensate for that lack of competitiveness would have been very severe indeed.

Mr Christopher Chope (Christchurch) (Con): I share my hon. Friend's scepticism about the role of the IMF in the treaty that establishes the European stability mechanism. Does he recognise that that treaty is littered with references to the IMF, even to the extent of including a provision that says that no application can be made for a loan unless a similar application has been made to the IMF first?

Mr Baron: My hon. Friend is absolutely right. The IMF is an integral part of the rescue package for the eurozone, but that is something that the Government are, at least publicly, not willing to acknowledge, which is very wrong indeed.

I question why the IMF is getting involved in these bail-outs. The eurozone is a currency union. If a state within the United States got into trouble, the IMF would not be expected to ride to the rescue. The same should be true of the eurozone. I contend that Greece is not economically sovereign: it has no central bank, it cannot set interest rates, it has no currency, and it cannot devalue. I would go so far as to question whether Greece is even politically sovereign. At least in the United States, the people can elect the governor of individual states. That is not happening in Greece and Italy. In some cases, we do not even have a Government.

Mr David Nuttall (Bury North) (Con): My hon. Friend refers to the possibility of an American state finding itself in financial difficulties. Of course that has already happened in California. Can he confirm that, in those circumstances, the IMF was not involved and was not able to contribute?

Mr Baron: That is absolutely right. My hon. Friend reinforces my point. The US is a currency union and the IMF is not expected to ride to the rescue there, yet it is expected to ride to the rescue of countries in the eurozone, which is also a currency union. That is completely wrong.

Glyn Davies (Montgomeryshire) (Con): Let me ask my hon. Friend about the wider context. We are dealing with the financial aspects here, but I have always had a greater interest in the constitutional aspects. It seems that the euro is destroying democracy as we know it. Should we not consider that issue, especially as we are seeing the end of democracy in Greece and Italy? Europe has always been my concern, which is why I opposed the whole thing in 1975. We are now seeing the creation of a single country in Europe, to which the British people have not signed up, and that will eventually lead to trouble.

Mr Baron: My hon. Friend is absolutely right. If he needs confirmation, I suggest that he look at the front page of *City A.M.*, where he will see what Angela Merkel has said about political union. There is a political deficit in the eurozone at the moment, which is why Governments are being appointed and not elected in Greece and Italy. That is a consequence of the fact that the eurozone and the EU are hellbent on political union at the cost of democracy and getting the people's consent.

Mr David Davis (Haltemprice and Howden) (Con): I congratulate my hon. Friend on a formidably cogent speech. Sadly, I will not be here to hear the Minister's attempt to answer it. The democratic deficit that I am worried about is the one in this country. We are having this debate in Westminster Hall. Whatever its outcome, it will not change what happens in the IMF. Is there any way that Parliament can have a say on British taxpayers' money being used in pursuit of an end that is against their interests?

Mr Baron: My right hon. Friend makes a good point. By raising such issues in Parliament and in collaboration with other like-minded individuals, we can hope that we can force the Government to think again and to look at the various mechanisms at our disposal in the House. If we do not raise these points in our Chambers, the Government will not answer the questions that need to be put to them. My right hon. Friend is right; we will not change anything today. The hope is that together we can force the Government to think again.

Let me go back to why the IMF is getting involved at all. What makes the situation even worse is that the eurozone has resources that could do much more to help. For example, the Bundesbank has reserves of £180 billion, £130 billion of which is in gold, and gold is going up in price. That is in stark contrast to our country and the action of the previous Government, who sold gold at near the bottom of the market.

I agree with the point made by my hon. Friend the Member for Clacton about why we supported Christine Lagarde, the former French Finance Minister, being put in charge of the IMF. It is like putting the debtor in charge of the debtors' prison. Christine Lagarde has admitted on record that the bail-out arrangements broke the rules, but she said that that could be justified because we all had to rally round to save the euro, which itself is a political objective. That is complete nonsense and it does not augur well for the future, and the Government taking confidence in the fact that the IMF has signed off the packages does not augur well either. The IMF signed off the initial Greek package and look at what happened then: the situation went from bad to worse. I suggest that it will get worse still. Having some sort of blind confidence in the IMF signing off the packages is basically abdicating one's responsibilities of Government to question what is going on. I do not see that detailed questioning happening at the moment.

I suggest that the Government's line on this issue—their approach to the eurozone crisis—is symptomatic of their flawed approach generally to the euro. The Government seem to have fallen in behind the French and Germans in this cry that somehow we must save the euro. I suggest to the Minister that that is economic clap-trap. Binding divergent economies into a single currency without full fiscal union was, and remains, a massive mistake. Similar thinking warned us of the perils of exiting the exchange rate mechanism, yet look what happened then: almost to the day that we exited the ERM, our recovery started and it was a very strong recovery.

I suggest to the Minister that the sky will not fall in if the euro breaks up. We will still have, by and large, a free market, although I think that it could be improved, and we will still have consumers demanding goods. If anything, by not trying to save the euro, we could help to stimulate demand, because by trying to save the euro we are cutting off one of the key ways to improve competitiveness—devaluation. By cutting off that option, we are making the austerity packages worse; we have to add to the austerity packages because the countries in need do not have the option of devaluation.

Saving the euro is making matters worse, yet the Government are silent on this issue. They have shown no leadership. They have fallen behind the line that saving the euro is everything—it is not. I suggest that the Minister and the Government look at the experiences of Norway and Switzerland, which have their own currencies and free trade agreements with the EU. Those countries are doing very well. Saving the euro should not be the ultimate goal, because it is making the austerity packages worse.

Mr Stewart Jackson (Peterborough) (Con): My hon. Friend is making a powerful and convincing speech, but is the situation not even worse than he suggests, in that the Government are effectively adopting a de facto policy of support for a tighter fiscal union, which in the long term will inevitably militate against this country's strategic political and economic interests as a sovereign state?

Mr Baron: My hon. Friend makes a good point. By joining in the chorus that we must save the euro, we are implicitly supporting fiscal union within the eurozone, which is the wrong approach to take, certainly for this country's interests. But, no doubt, the Minister will be able to clarify the Government's position on that issue.

The same flawed approach by the Government has denied the people of this country a referendum on the EU and our future relationship with it, while allowing

[Mr Baron]

massive budget transfers to Brussels. Our budget increase totals about £21 billion or £22 billion. It will increase from £19 billion for the last seven years to about £41 billion in the next seven years. What could we get for that additional £21 billion or £22 billion? We could get 100,000 police officers on the streets for each of those seven years, 100,000 nurses in our hospitals or 100,000 teachers in our schools. How could we stimulate growth with that money? We could cut basic rate income tax by 1p in the pound for each of the seven years. We could cut small business corporation tax by 6p in the pound. My goodness me—would that not be a concrete measure to stimulate growth and encourage competitiveness in this country?

I am afraid that the Government's thinking on this issue is intellectually incoherent, economically flawed and, perhaps worst of all, flies in the face of what the majority of people in this country want. What we want is leadership—strong leadership. We hear noises such as, "Oh, regulation from the EU hurts growth." There is nothing new in that; saying it is just making noise for the sake of making noise. We have known that about EU regulation for years. What we want is strong leadership that repatriates powers to this country, stops the salami-slicing of our political sovereignty, encourages the establishment of a genuine free market in Europe and guards against our liabilities to the eurozone crisis. But I do not see that strong leadership in front of me today, which worries me and a number of my colleagues and right hon. and hon. Friends greatly. Meanwhile, we stumble on.

I suggest to the Minister that this country will wake up about this issue one day and that we will renegotiate with the EU. My hope is that we will renegotiate a free trade arrangement, similar to the arrangements that Norway and Switzerland have, and that we have a constructive businesslike arrangement with the EU, without sacrificing political sovereignty and without going down the road of political union. My concern is about the damage that will be caused to this country between now and then and the cost that we and our children will have to bear.

I hope that the Minister, as he has refused my invitation to intervene on the questions that I have put to him, will come up with some answers when he winds up this debate. I hope that he answers the questions that I have put, because they are the questions that people in this country are asking.

Several hon. Members *rose—*

Martin Caton (in the Chair): Order. I want to start the winding-up speeches at 10.40 am. At least seven hon. Members are indicating that they would like to speak, so greater brevity of speeches will mean a greater number of them.

9.57 am

Jim Shannon (Strangford) (DUP): I am grateful to you, Mr Caton, for allowing me to speak. I commend the hon. Member for Basildon and Billericay (Mr Baron) for bringing this matter to the House today and giving us all a chance to express ourselves in the way that our constituents have expressed themselves to us.

I want to make it clear from the outset where my opinion lies—we need to look at the signs in front of us and then take action. Iceland was not prepared to pay back a bail-out; the Greeks were not willing, or perhaps they were not able, to make the cuts necessary to meet their payments; and now we are looking towards Italy and all the chaos that seems to be enveloping that country. For too long, we have watched other countries prosper with bail-out funding while we cut funding to schools, hospitals and infrastructure to remain solvent and to claw our way back to a sound financial footing, which are the very things that the hon. Gentleman discussed.

For too long, we have paid into the EU while watching our farmers and fishermen flounder under the weight of EU dictates. We watched other nations flaunt the rules even as we were fined £60 million in Northern Ireland for mistakes in filling in some forms. Just last week in Portavogie, which is in my constituency, I had an opportunity to speak to some fishermen. They told me that they are weighed down by bureaucracy, such as new rules on mesh sizes for nets and types of net by red tape and by monitoring, which they have to pay for themselves because the cost of policing fishing falls on the heads of fishermen.

I believe that the people want out. They see the crisis and that the house of cards is no longer simply swaying but precariously quivering with the wind of change blowing through Europe. We stood in this House last month and advocated allowing the people to have a referendum on Europe. We were denied the opportunity to have a referendum by the strong whip of the three major parties. At least my party, the Democratic Unionist party, stood strong and united in our call for a referendum. We feel that that is what the people want us to do. People must be given the opportunity to have their voices heard.

My mother had a wee statement; she had lots of wee statements, as mums always do. She said, "Don't throw good money after bad," but that is what is happening in Europe. How long will it continue? When will it end? Is this not the chance to leave Europe, or to change it so that it no longer resembles the red-tape-loving, common-sense-ignoring, self-serving, life-sucking drain of money that it has been for so long? Angela Merkel, the German Chancellor, has said that she wants substantial treaty change to strengthen it and to give the European Commission the chance to impose fiscal discipline on excessively indebted states in the single currency area. I am concerned that other European countries have a clear policy—a strategy—about what they want, and that they want us to be a subservient part of it. We want, and need, more. We need to be free to fish our seas and farm our lands responsibly, as we have done in the past, and we need not to be bound by restrictions placed upon us by those who are self-serving in Europe. As we struggle in this financial mire, China sits back and laughs. It is time to take control.

I have spoken before on the IMF, and I say again that the money is not for bailing out the euro, because the eurozone countries should and must bear the brunt. I stated in the House earlier this year:

> "It is clear that the European financial stabilisation mechanism is not fit for purpose…On 9 May 2010, the European financial stability facility was created, and it is a special purpose vehicle

> agreed by 16 members of the eurozone and aimed at preserving financial stability in Europe by providing financial assistance to eurozone states in economic difficulty."

That is very commendable, but perhaps unworkable. Furthermore:

> "Thus far, we are not at all involved, but no to the euro meant no to the EFSF. The tricky part came with the notion that the facility may be combined with loans of up to €60 billion from the European financial stabilisation mechanism, which is again reliant on funds raised by the European Commission using the EU budget as collateral, and up to €250 billion from the IMF, all to secure a safety net of €750 billion.
>
> If there is no financial operation in activity, the EFSF would close down after three years, on 30 June 2013. If there is a financial operation in activity—which of course there is—the facility would exist until its last obligation had been fully repaid. There has indeed been activity, and a good deal of it involving the EFSM, despite the fact that it should not have been involved to the extent that it had an equal if not greater share of the bail-outs. The purpose of the European financial stabilisation mechanism is to provide an emergency funding programme that is reliant on funds raised on the financial markets and guaranteed by the European Commission using the European Union budget as collateral."—[*Official Report*, 24 May 2011; Vol. 528, c. 813.]

In my opinion, that has not changed, and as we look at Greece and Italy and wait to hear of the next country to fail, it is clear that despite the Prime Minister's claim that there is no risk to the taxpayer, there is a danger that the money will not be used for the good of the United Kingdom. That is a huge risk, and it cannot be allowed.

I sincerely urge the Minister to think clearly before any more money goes into the IMF. We have been hoodwinked before to our detriment and to the financial cost of everyone in this country, and it cannot happen again. Let us not forget that we are fighting to reduce the deficit here and that we must prioritise. I commend the Prime Minister on his idea of the big society. Regardless of whether it is workable, I support the thrust of it, but it will be difficult for it ever to happen and for the benefits to be seen in the UK, never mind Europe-wide. As I stand here today representing my constituents, I state very clearly that we should not put any more of our funds into the IMF without first being certain of where the money will go, to the penny. We cannot afford to do otherwise, because the people do not want us to, and it is their money that the Government are toying with. For the first time since joining the EU, it is time to work things out to our advantage. We need to take that chance, and we need to take it now.

I support the thrust of what other hon. Members have said today, and I hope that the Minister will respond positively to our concerns as MPs and elected representatives. The concerns are genuine. The people I represent, who have put me here, are very clear: they want us out of Europe, and they want us out now.

10.4 am

Mark Field (Cities of London and Westminster) (Con): I thank my hon. Friend the Member for Basildon and Billericay (Mr Baron)—my very old parliamentary friend—for securing this debate. He talks with immense sense and, as a man who had a job outside politics before entering this place, immense experience. After 20 years in the financial markets, I suspect he has forgotten more about finance than many people who talk on these matters on all our behalves know.

Conventional wisdom dictates that high noon for the euro is imminent. The assumption is that the single currency will collapse or that the eurozone will be forced into a headlong rush towards full fiscal union. Nevertheless, despite all the euphoria of the past week about Italy, I suspect that we shall experience many more months of tottering along from market crisis to emergency meeting, to fully fledged conference and half-hearted bail-outs—the sort of disaster to which my hon. Friend has referred. Indeed, if—it is a very big "if" and no one seems to be focusing on it at governmental level—the global bond market remains relatively stable, the cheap price of Government debt provides little incentive to create a viable long-term structure for our ailing continent's economies. There is a massive bubble in the bond market that no one is really talking about. The Chancellor prides himself on Britain being a safe haven; America, with its $13 trillion debt, is an even safer haven with rather lower interest rates, as is Germany. It is absolute madness when we are receiving 2.2% for getting our debt away and have inflation of 5.6%, and I am afraid that the bubble will burst at some point with, I suspect, disastrous effects.

Many purists will rightly bemoan that politics is being allowed to outweigh the economic realities, and that cannot go on for ever. What is so dangerous about the utter lack of leadership and vision among Europe's leading politicians is that the longer this crisis continues, the more private sector confidence drains away and global markets begin to discount the entirety of Europe. More crucial still is that the two distinct problems that face many struggling European economies, solvency and liquidity, are becoming conflated in the minds of markets. The Greek issue is simply one of solvency, or rather insolvency. Greece must be allowed to default, from within the eurozone, I suspect. I support its creditors, who are predominantly EU banks, taking a substantial haircut. They lent the money at attractive interest rates, implicitly recognising the risks, and they must now take the consequences.

Mr Carswell: My hon. Friend talks about allowing Greece to default within the eurozone. Surely that is the worst of all possible worlds. Surely the way to handle the problem is not just to default but to decouple and set Greece free. Default within the eurozone is the worst possible option.

Mark Field: The only difficulty is how on earth it would ever borrow money again. Greece has been living in Alice in Wonderland economics for the past 20 years. We need to look at what happened in Argentina. That economy has struggled massively for the past decade, because it has not been able to borrow money in the international markets.

Mr Carswell: Does my hon. Friend not agree that today Argentina has a better bond rating than many eurozone countries and that that shows the way?

Mark Field: I suspect that that says more about eurozone countries than about the fundamental health of the Argentinean economy, but if my hon. Friend will excuse me, I will continue.

With the failure of European leaders and Finance Ministers truly to grasp the nettle, the liquidity problems faced by Portugal, Ireland, Spain and Italy are becoming ever more deep-seated. It is very difficult for Angela Merkel in Germany—as someone who has German

[Mark Field]

blood running through his veins, I accept that. I appreciate that her domestic political position appears ever more precarious, because the EU's economic powerhouse should have ceded control of the deepening crisis to the European Central Bank. The ECB's mandate could, and perhaps should, be to provide market intervention to restore and maintain confidence on behalf of all solvent eurozone economies, but in her actions to date, Mrs Merkel has indicated that the politics are just too difficult for her nation, which remembers the days of hyperinflation during the early part of the Weimar Republic. Furthermore, all this requires, as ever within the EU, bypassing democratic safeguards, and it potentially involves unfathomably vast quantities of central bank support, with potentially hazardous medium-term economic consequences.

Ian Paisley: Will the hon. Gentleman give way?

Mark Field: I hope that the hon. Gentleman will excuse me; I know that others want to speak.

The twin lessons of the economic depression in the 1930s are that avoiding catastrophe requires swift action and that once a process is under way we should not worry unduly about overkill. It is better to pump too much liquidity into the system, rather than inadequate amounts. A financial system in free fall requires active central bank intervention, however irrational the collapse of market confidence. Nevertheless, in the absence of a central bank for the 17-nation eurozone that has real political clout or, more important still, sufficient funds to provide comprehensive cover in a liquidity crisis, it is regrettable that the UK is now expected to stand ready to bolster the IMF. The IMF seems to be the only institution that can bail out countries that are close to default—Italy and Spain, for example. My hon. Friend the Member for Basildon and Billericay is absolutely right that there is disingenuous thinking and talking within the eurozone. The reality is that if Italy or Spain has a problem, the European Central Bank and the European financial stability facility cannot address it. Clearly, such a problem must be addressed by the IMF.

Without stable financial markets, there is little hope of the sustained growth essential to economic recovery. The UK economy is a global leader in the financial services sector, but it is especially prone as a consequence to the adverse impact of uncertainty on worldwide financial markets. No UK taxpayer will stand by and watch with any sense of satisfaction as unimaginably large sums of money or guarantees are given to bail out the banking system.

As has been pointed out, our Prime Minister and the Chancellor have repeatedly vowed that there will be no further bail-outs of the eurozone. However, in the event of a collapse in market confidence for Italy or Spain, the UK, as a founding member of the IMF, will almost certainly be expected to increase both its absolute funding and its guarantee facilities to the fund, which is an extremely unpalatable prospect. However, I also accept that a UK failure to act would not only have immediate, serious consequences for the global financial services sector, but amount to an abdication of our responsibilities as a mercantile nation in the international field of trade and commerce.

As MP for the City of London, I reluctantly accept that I have no choice but broadly to support the UK Government's proposal to underwrite further funds to the IMF. Nevertheless, I regard that as a matter that must be addressed not by the Executive alone but also here in Parliament. If the UK taxpayer is to be further exposed to IMF loans and guarantees, that must happen only after a statement from the Prime Minister outlining why such a course of action is in the national interest, after a full parliamentary debate and as the consequence of an affirmative vote in Parliament. In my view, nothing less will do.

I know that many other Members want to speak. There is much more that I would like to say, but I will touch on a point that my hon. Friend the Member for Basildon and Billericay made regarding the wisdom behind the UK Government's enthusiastic promotion of a headlong move towards fiscal union in the eurozone. I say to the Minister that we should be extremely careful what we wish for. Such a development would embolden the eurozone, even in its apparent weakness, to embark on a rapid and radical political power grab throughout the EU. Alarm bells would ring in the City of London. It would be very bad news for this country, and we should not stand by and let it happen without ensuring that our national interests are properly served.

10.12 am

Mr Christopher Chope (Christchurch) (Con): It is a pleasure to participate in this debate. I congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on his good sense in calling for it. It is fantastically well attended, and it is a pity that it is not longer.

At business questions on Thursday, I raised with the Leader of the House the issue of the loan to Ireland. He said that he would tell the Financial Secretary to the Treasury of my interest in the subject, and that my hon. Friend would come to this debate with the answers to my questions. I hope that he has had due warning.

The loan to Ireland goes to the heart of the issue of trust, to which my hon. Friends have referred. The people in this country do not understand what is happening in their name. The Chancellor announced that we would give a £3 billion loan to Ireland. That is £50 a head for every member of the UK population. He announced that the rate of interest would be about 6%, in round figures, and that that would give the British taxpayer a healthy profit.

It then emerged in late July that the interest rate was likely to be lower, but had not yet been decided. The first tranche of the loan was paid to Ireland on 14 October. Even as we speak, the rate of interest on that loan has not been agreed. It is still being negotiated downwards. At the same time, the Irish bond rate has remained pretty constant, at more than 8%. Why are we negotiating the rate downwards? Why, indeed, are we lending all that money to Ireland when our own small businesses are crying out for money?

Mark Reckless: Is my hon. Friend aware that it is not just the interest rate that is uncertain but the priority of the loan? When addressing the Committee considering the Ireland and Portugal bail-outs and loans, the Financial Secretary stated that the loan to Ireland ranked broadly the same as those of the IMF and other international institutions, when actually it ranks below the IMF and the EFSF.

Mr Chope: My hon. Friend makes a good point. We were told that the IMF would help Ireland and that we could help Ireland and influence its economic policy through the IMF. We were also told that we needed to give Ireland a £3 billion loan so that we could have even more influence, but I do not think that it is written in any agreement that to have yet more influence we need to reduce the interest below the rate agreed at the outset. The fact that the Irish have drawn down on the loan shows that they do not look a gift horse in the mouth. They realise that this is a great opportunity.

Let us consider the opportunities in Ireland. I got my assistant to research the interest rates available to small businesses in Ireland at the moment, so this information is from yesterday. Allied Irish Banks is offering loans of up to €100,000 to small businesses at a "competitive rate" of 4.4% variable. New and early-stage businesses under three years old can get that money. Now, I do not know what it is like for my hon. Friends, but in my constituency it is almost impossible for businesses to get a loan from the bank at a rate of 4.4%, if they can get one at all. We know that Allied Irish Banks is the beneficiary of a £3.5 billion bail-out. We are giving Ireland money that it is using to subsidise its banks, which in turn are subsidising its small businesses to compete unfavourably against ours.

Ian Paisley: I agree with the thrust of what the hon. Gentleman is saying. Does he agree that it is actually far worse? The Irish state bank, the National Asset Management Agency, holds £14 billion of property in this city, which it can dispose of any time it wants and put the money back into its own national coffers. Is it not time that we had a Select Committee inquiry into NAMA's activities in the United Kingdom jurisdiction?

Mr Chope: That sounds to me like a good point. People should start selling their assets. That is what families must do if they get into difficulties. We have to think about selling assets, which is what countries in debt should be doing.

Another example is the Bank of Ireland, which received €5.2 billion in the banking bail-out, and which is offering interest rates of 5.24%. More than half of all loan decisions are made on the spot and 87% of applications are approved. Would that we had similar arrangements in the United Kingdom. By comparison, HSBC was offering small business loans yesterday with a starting interest rate of 7.9%, which is obviously only for the most favoured customers.

Can the Government explain why we are reducing the rate of interest on the Irish loan? When the Bill went through the House, I voted against it, but it passed on the basis that we would make a significant profit on the interest. Now that the Irish are drawing down on the loan, surely we should know what the interest rate is. Is there any other organisation that can go to the bank and get a loan while the bank manager says, "Don't worry, we'll agree the interest rate later"? It seems reckless in the extreme.

My final point deals with the treaty establishing the European stability mechanism. Most people do not realise that the European stability mechanism is a new international financial institution that will have international immunity, and that it will be funded by the 17 members of the European Union. What will Ireland pay? Its subscription will be €11.145 billion, which is about £10 billion. Another way of putting it is that we are lending money to Ireland so that Ireland can, in turn, pay its subscription to the European stability mechanism. It is a farce.

10.19 am

Glyn Davies (Montgomeryshire) (Con): Thank you, Mr Caton, for giving me the opportunity to contribute to what is probably the most important subject of debate that we will have during this Parliament. I congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on securing the debate and on presenting his arguments in a challenging and clear way. I look forward to the Minister's response to the points he has raised.

Most of my hon. Friend's speech dealt with the financial aspects of the issue. My view, however, is that it is not possible to consider the issue without also looking at the wider context. Indeed, I raised that point when I intervened on him. The key concern for me and many others is that the euro is destroying democracy as we know it in western Europe. That was my main reason for opposing Britain's entry to the euro when it was established.

I am not sure how many of the hon. Members present were involved, like me, in the 1975 campaign to leave the European Economic Community, but I think that some of us might have been—I can see one or two. At the beginning, we thought there was a chance that we would be successful, but in the end the argument that I supported was well beaten. I was not trained as an economist—or as anything really; I left school when I was 16 to be a farmer—but my argument was that the public's gut instinct in those days was that we were creating a huge bureaucracy whereby the ability to influence decisions in our country was to be transferred somewhere where we would not have influence. That was the fundamental gut instinct that drove us to the "no" side.

When the eurozone was being established, I became involved in the opposition to it, which was unusual, because I was the chairman of the Agriculture and Rural Development Committee in the National Assembly for Wales and the agricultural community was fairly supportive of Britain joining the euro. I remember being dismissed on platforms as an extremist, but I was simply not in favour of Britain joining the euro. My argument was exactly the same as that which many people are making today—to create a successful eurozone almost certainly means financial union. Nobody has hidden that. In 1975, the purpose of many people who were behind the establishment of the EEC was that we would eventually move to political union in Europe. That was the small print. Today, I hear people saying that they thought we were joining an economic community, but that is not what I or a lot of other people thought.

Mr William Cash (Stone) (Con): My hon. Friend is making an important point. Last night, the Prime Minister made a speech at the Guildhall in which he called for fundamental reform in the European Union, but it is not really just a question of fundamental reform in the

[Mr William Cash]

EU, is it? What we have to have is a fundamental change in the relationship between the United Kingdom and the European Union, because it is a failed project. We have been enmeshed in it and it is increasingly causing damage to our own economy.

Glyn Davies: My hon. Friend has anticipated my next point, although I shall not use precisely the same language that he uses and has used for a long time—probably about 30 years. The Government's policy, which I support, is that we should seek to repatriate powers from the European Union. That is easy to say, but for the Government to deliver that objective, the Prime Minister, Chancellor and Foreign Secretary have to have a way to do so. As Members of Parliament, we have a responsibility to think about exactly how we are going to do that. Which parts of European policy, precisely, do we wish to repatriate—whole blocks or just specific parts? The issue is hugely complex and a tremendous amount of work will have to be put in to enable it to be addressed.

We could speak for hours on the issue—I am sure that I could. A lot of Members want to speak. I have raised the points that I wanted to make and look forward to the Minister's response.

10.25 am

Stephen Hammond (Wimbledon) (Con): I congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on securing this debate. Like him, I spent some years in the City of London, in various institutions. I want to address three things. First, I want to look at the theoretical construction of the euro as it was set up. My hon. Friend talked about the various eurozone summits and why they failed to find a solution. The reality, of course, is that a theoretically implausible project means that any eurozone solution will not be practical. I also want to talk about some of the reactions, and conditions the International Monetary Fund might want to attach to its bail-out, and our interest in it.

The single market was much welcomed in terms of the encouragement of free trade, which then drove some people to the aspiration for a single currency. It was clear that those countries that were going to join would lose the basic levers of economic policy, namely taxation—that is, fiscal policy—as well as interest rates, exchange rates, protectionism and, indeed, unemployment. It was also clear to any undergraduate, or even A-level economist, that the reality was that a fudge might be possible in good times, but not in a recession. The opponents of that view pointed to optimal currency area theory, which showed that the transaction costs would be lessened and that everything would, therefore, be fine. In practical terms, however, we have seen a theoretical misconstruct. The euro was a misconstruct because it failed to recognise exactly what that theory says: for optimal currency area theory to work, the economies have to be homogeneous in nature or flexible in their arrangements, so that they can move to homogeneity, or a currency union needs to be established alongside a fiscal union at the same time; otherwise, the overwhelming point is that whatever is set up in terms of a single currency will fail.

On the economies that were in the eurozone when it began—the wealth of Germany, the emergence of Ireland and the agrarian underdevelopment of Portugal—surely the appropriate description is diverse rather than homogeneous. Moreover, if we look at the policy formulation since the currency has been in existence, we see that there has been no flexibility that would allow movement to a homogeneous economy. Unless we recognise that the project is flawed in theory and do something about the theoretical basis, we will never find a practical solution. It is not surprising that we have had 15 eurozone summits that have provided no solution whatever.

The absurd reactions of Europe's senior eurocrats are also of extreme concern. They are preventing any serious discussion of a resolution. The basic premise at the moment is, "The euro must be saved, the euro must be saved, the euro must be saved." Only last week, President Barroso said yet again that the euro should be the norm for Europe. He even denied the UK's permanent right to opt out. The President of the European Council, Mr Rompuy, also made an extraordinary remark over the weekend when he suggested that, if the eurozone's integrity was not preserved, the functionality of the internal market could not be taken for granted. That is an absurd proposition. First, we need only look at the history of how the single market functioned before the euro came into being. Secondly, a single market does not need a single currency, but I will not bother to go into the theoretical construct for that.

Mr Cash: Does my hon. Friend remember Madame Lagarde saying on 17 December 2010, when she was Finance Minister for France, that they broke all the rules because they wanted to save the euro at all costs? The rules have been broken, and that relates to the stability and growth pact and every single aspect of this.

Stephen Hammond: My hon. Friend is right, and my hon. Friend the Member for Basildon and Billericay made exactly that point. I will not go on, but it seems simply ridiculous. If the eurocrats of Europe think that saving the euro is more important than working out the solution to the economic crisis, progress will be, at best, tortuous.

From a UK perspective we must be interested. The idea that we are not interested in what the IMF bail-out is—or, indeed, in the fact there is a eurozone crisis—is clearly wrong. The impact on the UK is extraordinary. We trade with the eurozone, and therefore have a significant interest. My hon. Friend the Member for Cities of London and Westminster (Mark Field) referred to the possibility of a default of Greek banks. It may or may not be true that we have little or no exposure to Greek banks—I think it is broadly true—but we have great exposure to banks that lend to Greece within the eurozone. That contraction of balance sheets will affect lending to small and medium-sized enterprises in the UK. Therefore, we must have that interest.

A basic and necessary precondition of what the IMF must say to the leaders of Europe is that they must recognise their wider international responsibilities. My hon. Friend also made the point about the Germans effectively wanting to control the eurozone, but not being prepared to accept the economic leadership that

that implies by allowing the ECB to attempt to solve the liquidity crisis. We should extend money to the IMF, but I am realistic in accepting that, overall, that means the IMF would extend extra money to the eurozone. Any money that the IMF extends to the eurozone should be met with the precondition that the ECB becomes entirely independent and able to print money for the eurozone, or else it is bound to fail.

The IMF also needs, and almost certainly will accept, a necessary theoretical construction that provides a solution. The most likely solution is that we see a number of countries leave the eurozone—leave the euro—and some perhaps form a tighter unit. That being so, the IMF must stand up and say that it is prepared to fund the cost of dislocation for those leaving the eurozone, so that they have a chance to devalue, make the necessary adjustment to living standards and the necessary lowering of labour costs to allow a competitive solution.

Mr Carswell: Is my hon. Friend saying that he wants the IMF to fund the cost of eurozone members' dislocation from the euro?

Stephen Hammond: I am saying that I accept that the IMF will make a bail-out to the eurozone. On that basis, one of the best solutions for the eurozone is for a number of countries to be allowed to leave the euro. The IMF will therefore need to fund the cost of the dislocation of those countries leaving the euro to give them any hope, attendant with their devaluation, of an economically sustainable future.

Mark Reckless: Will my hon. Friend give way?

Stephen Hammond: I notice that I have gone on rather longer than my five and a half minutes. I had a number of other points, but thank you for the opportunity to speak this morning, Mr Caton.

10.33 am

Neil Carmichael (Stroud) (Con): I congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on securing this crucial debate. A large number of important matters have been raised, and it is a good opportunity to discuss them in this Chamber.

I take issue with the assumption that devaluation is a good thing. We have formally devalued twice since the second world war, and we are in a slowly-emerging devaluation. Post-departure from Bretton Woods, we effectively devalued over time. I see no evidence that any of those devaluations ever led to long-term improvements in productivity or competitiveness, so although the IMF, as it has in the past, has perhaps lent to countries that can and have devalued, it is not necessarily a good thing.

Mr Carswell: Does my hon. Friend accept that Argentina's decision to decouple from the dollar and default on its debts helped it to achieve economic growth? Does he think that that was a good thing or a bad thing?

Neil Carmichael: I am a great believer in all countries growing. Argentina is doing reasonably well, but that has more to do with the neighbouring countries that it trades with in Latin America than with decoupling from the dollar. However, I take the point that some countries will take the opportunity for a quick leap forward.

Mr Carswell: Does my hon. Friend agree that the IMF's decision to allow the Ugandan shilling to devalue helped to stimulate growth in Uganda in the 1990s and that, without that devaluation, it would not have enjoyed 15 years of prosperity?

Neil Carmichael: If my hon. Friend thinks that the devaluations of 1949 and 1967 in this country led to a period of improved productivity and competitiveness, I would dispute that. I want to pursue that argument, because that is what I think is important.

Mr Baron: My hon. Friend is being generous in giving way. Devaluation is not necessarily the best thing going, but it helps to take the strain for a currency that is weakening and therefore allows austerity measures to be perhaps less harsh than they would otherwise be. That is the point. There is no economic evidence to suggest that, if we did not allow devaluation to take effect, austerity packages would be worse and make the economic downturn much worse.

Neil Carmichael: I can certainly understand my hon. Friend's argument, but it is worth pointing out that devaluation is not a panacea and should not be used frequently.

Mr Philip Hollobone (Kettering) (Con) *rose*—

Neil Carmichael: I will take one more intervention on devaluation, or this discussion will be devalued.

Mr Hollobone: This country has devalued on a trade-weighted basis by 25% since the peak in 2008. If we had not had that devaluation, this country would now be inflicting on itself a far harsher austerity package and unemployment would be far higher. Without the devaluation mechanism, countries face far starker choices.

Neil Carmichael: This Government's real achievement is to address the deficit. They have set out a plan that is effective and encouraging markets to understand that we are taking the appropriate action. That is one of the benefits of being outside the euro, and we should focus more on that, rather than worrying about the benefits or otherwise of devaluation. I repeat for the last time that I do not think that devaluation is a panacea that we should be pursuing.

Mr Cash: What is my hon. Friend's evidence for the success of the reduction of the deficit? Growth is running at almost zero, and much of that comes surely from the fact that we cannot trade with a completely stagnant Europe.

Neil Carmichael: One of the obvious pieces of evidence is that we are not talking about the IMF coming to bail us out—a huge achievement by the Government that should be recognised. We will have to move on from devaluation, but I think that I have made my point and others have attempted to make theirs.

Inflation would certainly help debt reduction, because it does in the long run. As I said in an intervention, when Denis Healey borrowed money from the IMF, that did arrest devaluation. We were more easily able to

[Neil Carmichael]

pay the IMF back quite quickly because of the impact of inflation. I do not support inflating the economy in that way either, as a remedy.

Mark Field: In the late 1970s, inflation was coming down quite rapidly from a height of 26% in 1975. One could argue that there has been a deliberate policy by the Bank of England, perhaps in cahoots with the Treasury, to allow a little bit of inflation to go into the system. That is exactly what is happening here in the UK, where historically we have had high real inflation, which is having a major impact on all our constituents' living standards.

Neil Carmichael: Inflation did go down, but after the IMF loan was made. It reached a peak in 1976, which I think was 26%. That happened to coincide with the time of the IMF loan, so that is the position that we should discuss.

Mr Edward Leigh (Gainsborough) (Con): My hon. Friend has been very generous in giving way. He will accept—will he not?—that we should not have stayed in the exchange rate mechanism.

Neil Carmichael: Well, we were blasted out of the ERM. We do not want to repeat that fiasco, and we should all recognise that.

We talked briefly about the United States. Gerald Ford, President of the United States in the mid-1970s, refused to bail-out New York, and quite right, too. He was a fiscal conservative. That was the right decision in the long run, and, of course, a decision that did not affect New York's membership of the dollar. I just wanted to put that on the record.

We must focus on two things, and the Prime Minister identified them both in his speech yesterday. I want to ram home the importance of reforming the European Union, because that is what it needs. In particular, we have to drill down on the single market, to ensure that it is a single market and that competitiveness in goods and services is enhanced. We can really do that.

On euro measures, this country would be making a big mistake if we assumed that the euro will not affect us significantly, because it certainly will. *[Interruption.]* I shall wind up. I have been so generous with interventions that I do not have the time to point out that we need fiscal union in the eurozone, the ECB to be enhanced—as my hon. Friend the Member for Cities of London and Westminster (Mark Field) rightly said—and much more rigorous auditing of what is going on.

Last but not least, there is a democratic deficit, although the IMF extension was discussed in the House and we voted on 11 July. I have noticed two things. First, Germany and France are effectively bypassing the Commission in a lot of their decisions—

Martin Caton (in the Chair): Order. The hon. Gentleman has gone on beyond the time at which I said that I wanted to start the winding-up speeches. Many Members have asked the Minister questions to which they want to hear the answers. I should be grateful to the hon. Gentleman if he stayed seated now.

10.41 am

Chris Leslie (Nottingham East) (Lab/Co-op): I was interested to hear the comments of the hon. Member for Stroud (Neil Carmichael). I have learnt a lot, including Gerald Ford's attitude to New York city and the history of the Ugandan shilling. At one point in the debate, I was almost feeling sorry for the Minister, given the heat that he is falling under and that he is simply following orders—it is not entirely his fault—but in the short time available, he needs to explain not only the answers to the questions asked, in particular by the hon. Member for Basildon and Billericay (Mr Baron), who gave a thorough and refreshing contribution, but an area of policy that has not been touched on as much as it should have been and that is central to the debate, which is growth. How will we rejuvenate growth, not only in the UK but throughout the eurozone, as a way to solve the crisis?

The Office for Budget Responsibility continues its relentless drive to downgrade economic prospects, and the European Commission has forecast a massive change in our fortunes. Last year, gross domestic product growth was supposed to be 2.2% in 2011, but a couple of weeks ago, that prediction was downgraded to only 0.7%. We are now forecast to have the slowest growth in Europe, with only Greece, Italy, Portugal and Cyprus growing more slowly in 2011. The Office for National Statistics, however, shows that exports to the euro area were rising by 17.3% in the third quarter, so the eurozone alone cannot be an excuse for the UK's lack of growth.

Given the fragility of our economy and our vulnerability, I accept that prolonged uncertainty in the eurozone could worsen our position, but it would be disingenuous of the Treasury to suggest that our woes are caused by the eurozone situation. I would be worried if it genuinely thought that to be the case.

Stephen Hammond: Will the hon. Gentleman give way?

Chris Leslie: Not in the short time that I have available. I prefer to hear the Minister and to deal with particular issues, some of them raised by a number of hon. Members. For example, the hon. Member for Cities of London and Westminster (Mark Field) discussed bond yields and the dangers of the Government giving the impression that we are a safe haven relative to the rest of the world. I am worried about the complacency shown by the Government. Bond yields are as much a function of our relative independence from the euro and the flexibility of having our own central bank. The director of the National Institute of Economic and Social Research, Jonathan Portes, made it clear recently that our gilt yields declining to an all-time low was partly a result of the economy's weakness, because safe-haven flows are typically accompanied by a rise in the value of the pound or rising stock prices. He could not have been more concise or clear:

> "The reason people are marking down gilt yields is because the economy is weak".

We should not see that entirely as the be-all and end-all of economic policy. The hon. Gentleman is right that we should see it not merely as a safe-haven function, but as a bubble that may burst at any point.

What should the Government be doing? The crisis is far from over, even though the markets have calmed somewhat this week. My right hon. Friend the Leader of the Opposition rightly pointed out that the European summit—the G20 summit—finished prematurely, without adequately solving the difficulties with the EFSF and the permanent bail-out arrangements, and that a further European summit might be necessary to thrash out the issues properly. We also need a proper strategy for jobs and growth throughout Europe and concrete steps to support demand immediately. We have to end the prevarication about the role of the European Central Bank as lender of last resort and to give proper attention to what it takes to make that EFSF firewall stand behind eurozone members.

Hon. Members mentioned the IMF in some detail. In the summer, before the details of the permanent eurozone bail-out fund had been agreed, the Labour party urged the Government to pause before granting additional funding to the IMF. We called for the commencement of the larger eurozone-only bail-out fund to be brought forward and for the Government to negotiate an end to our liabilities via the temporary EFSM. The Minister at the time did not explain what the UK Government were doing to help to ensure that an adequate and permanent EFSF was put in place and, as I said, the European summits came and went, despite the Prime Minister's attendance.

Ministers, including the Prime Minister, have repeatedly misrepresented our view of the IMF's role. Today's debate shows that our concerns are shared across the party divide. Tim Geithner in the United States and people in many other countries have also voiced their reservations. In principle, because of the IMF's generally vital role in the global economy, we support an increase in its subscription, but I make no apologies for questioning the Government's stewardship of our public funds. We have a duty to protect the best interests of the UK taxpayer.

We have consistently said that the IMF's job is to support individual countries with solvency crises and not to solve a structural problem caused by eurozone countries unable to agree the necessary steps to support and maintain their own monetary union. The IMF does have a role around the world and should have the necessary resources, but there should be no IMF funding to plug the gap in the eurozone's bail-out fund and to do the job that the ECB should be doing. The only way to ensure market confidence in the eurozone is for the ECB, alongside that permanent bail-out fund, to be given the political support that it needs to act as lender of last resort when liquidity problems arise. That is the logic of monetary union that the 17 eurozone countries are signed up to.

I want to hear the Minister's answers, so I will curtail my remarks. It is vital for the Government to wake up and realise the role that a growth strategy must play in Europe and in the UK. Without that, there could be serious ramifications for the UK and our economy. If the Government fail to act as an honest broker, stepping up to show the leadership that many hon. Members have urged in today's debate and so that the ECB becomes lender of last resort and that the EFSF has enough weight to become an effective firewall, the eurozone crisis may well deepen further. The Chancellor continuing to talk about Britain as a safe haven betrays a relaxed complacency in the Treasury that is not warranted. Such an approach is misinformed, neglectful and very dangerous in the situation that we face.

10.49 am

The Financial Secretary to the Treasury (Mr Mark Hoban): I congratulate my hon. Friend the Member for Basildon and Billericay (Mr Baron) on securing the debate.

Let me be absolutely clear: it is in our vital national interest that eurozone states reach a coherent, comprehensive and lasting solution. First and foremost, they must implement the agreement reached towards the end of October, which involves a three-pronged strategy to recapitalise the European banks, resolve the situation regarding Greek debt and reinforce the EFSF to create a firewall between Greece and other vulnerable euro area countries. The new Governments in Greece and Italy need to show that they can implement the tough measures required to deal with their debts and make their economies more competitive. Uncertainty in the eurozone is undermining not just their economies, but ours. A return to stability in the eurozone will benefit our economy, whereas continued uncertainty will harm it. My hon. Friends the Members for Cities of London and Westminster (Mark Field) and for Wimbledon (Stephen Hammond) made that point.

We have a clear interest in greater certainty in the eurozone, but at no point have we committed, or will we commit, any British taxpayers' money to a special purpose vehicle, or through the EFSF or the ESM, either directly or through the EU budget.

Mr Baron: If I may be so bold, the Financial Secretary is coming up with the economic clap-trap that we must all save the euro. Does he accept that binding divergent economies into a single currency without fiscal union was and remains a massive mistake? It is as simple as that. The world will not fall apart if the euro breaks up, and countries such as Norway and Switzerland have proved that by trading with the eurozone using their own currencies.

Mr Hoban: My hon. Friend is absolutely right, which is why we did not join the euro in the first place. The remorseless logic of monetary union, as he said in his speech, is fiscal union. Fiscal union is necessary for monetary union to work. That is what we are seeing throughout the globe, and that is why we said that eurozone members must make greater progress towards fiscal union.

Mr Baron: If the Financial Secretary accepts the logic about the deficiency of the euro, are the Government joining in the chorus that we must all come together and save the euro?

Mr Hoban: As I have said, uncertainty and problems in the eurozone have a damaging impact on the UK economy and have a chain effect on what is happening here in the UK. It is not in our economic interest for that to continue. Just last week, John Cridland, director-general of the CBI, commented on the negative impact that the problems in the eurozone are having on the UK economy. We are an open economy and our European partners are our largest trading partner, so it is in our interest to ensure that the eurozone works. That will be of huge benefit to the UK economy.

Mr Baron: *rose—*

Graham Stringer (Blackley and Broughton) (Lab) *rose—*

Mr Hoban: I would like to make some progress. Let me address UK commitments through the IMF, which is the centrepiece of this debate. In a carefully worded statement, the hon. Member for Nottingham East (Chris Leslie) covered Labour's retreat on its IMF policy. He was bravely leading his troops through the No Lobby in July without the support of the architects of the G20 London deal. The former Prime Minister and the former Chancellor were not there. What has happened? Last week, his boss, the shadow Chancellor, cut his legs from under him by saying that

> "the Labour party supports an increase in the UK's International Monetary Fund subscription".

I do not think the hon. Gentleman is in a position to lecture anyone about consistency and principle.

As a founding and permanent member of the IMF, and as one of its largest shareholders, we continue to be a strong supporter of its role as a global backstop to the world economy. Currently, 53 countries are being supported by the IMF, of which only three—Greece, Ireland and Portugal—are in the euro area.

Mr Baron: Will the Financial Secretary give way?

Mr Hoban: Let me continue. As a founding member of the IMF, we recognise its important role in stabilising the global economy in times such as this. That is why we participated on the nine previous occasions when its quota was increased. In these turbulent times, it is essential for confidence and economic stability that the IMF has the necessary resources, and there may well be a case for further increases. At the G20 two weekends ago, Britain, the US, China and all the other countries round the table made it clear that in principle we are willing to have an increase in IMF resources to boost global confidence. We stand ready to contribute within limits agreed by the House and set out in the International Monetary Fund Act 1979. That limit, denominated in the IMF's units of account—special drawing rights—stands at 38.8 billion SDRs, or about £38.3 billion pounds.

Let me remind the House that no one who has lent money to the IMF has ever lost that money. The money goes directly to the IMF and not to individual countries. It is one of the most creditworthy institutions in the world, and its loans are afforded preferred creditor status, which means that they are first in line to be repaid, even if not all other creditors are paid. Consequently, no country has ever lost money as a consequence of lending to it.

There has been no agreement about the timing, extent or exact method through which IMF resources will be increased, but an immediate need is to implement existing plans to increase its resources. Let me make clear how IMF resources will be used. Any increase must be available to all its members and not reserved for use only by the euro area. There can be no hypothecation, and money is lent to the IMF, not to specific countries.

The use of IMF resources is linked to the question of the need for economic reform. All hon. Members recognise the need for the euro area to reach a comprehensive resolution to the crisis, and clearly it is for the euro area to resolve that crisis. That resolution cannot be simply through recapitalisation of banks, the creation of a euro area bail-out fund or resolving the problems in Greece.

Mr Baron: Will the Financial Secretary give way?

Mr Hoban: Perhaps my hon. Friend will be patient. There are areas where the eurozone needs to tackle its competitiveness to respond to those issues. There is the question whether IMF money is conditional on structural reform to improve competitiveness. The answer is yes, because conditions are built into IMF programmes to ensure that competitiveness changes take place. Portugal, for example, has an extensive programme of privatisation, and the Portuguese Government's right to be involved in private companies must be abolished. In Ireland, legislation has been passed to increase the state pension age to provide a significant boost to long-term fiscal stability. In Greece, the Government are discussing breaking the link between the national minimum wage and the annual inflation rate, and market reform is being promoted to allow businesses to set wages independently of collective agreements.

Mr Carswell: Will the Financial Secretary give way?

Mr Hoban: Let me continue. I have only three minutes left, and I want to ensure that I address as many of my hon. Friends' questions as possible.

We are seeing structural reform to improve the competitiveness of economies hand in hand with IMF programmes. I hope that that will reassure my hon. Friends that reform is taking place in those countries to ensure that they meet their international obligations.

Mr Baron: Returning to a previous point, I suggest that the reason why the eurozone crisis is causing a bit of a problem over here is that existing policy is making the situation worse. Denying devaluation is forcing greater austerity packages on populations that are already trying to pare down their debt. That is the problem that the Government do not see.

May I take my hon. Friend back to devaluation? The Government make great play of the fact that only three of the 53 packages go to the eurozone. Can he name one programme outside the eurozone where a country cannot devalue?

Martin Caton (in the Chair): Order. That was a long intervention.

Mr Hoban: My hon. Friend seems to believe that devaluation is necessary to restore economic growth. That is not the case. Ireland is a country that cannot devalue, but a consequence of how it implemented its reform programmes is that in quarter 2 growth increased by 1.6%, with a 2.3% increase year on year. That demonstrates that devaluation is not necessary to improve a country's competitive position, for it to earn its way out of problems or for it to grow. Devaluation may make life easier, but it is not impossible for an economy to grow, even if currency devaluation is not possible. In September, the troika concluded that the programme is on track and remains well financed. In Ireland, the authorities are implementing a programme policy.

In the euro area, we are seeing programmes to restore competitiveness, but those reforms must be made throughout the eurozone, if the eurozone is to strengthen and help to underpin economic growth in the UK. No request has been received as yet for additional resources from the IMF, but the role that it can play in underpinning global economic stability is important, and this is an opportunity that the UK should consider if we are to resolve some of the problems in the wider global economy, tackle the fragility and, by definition, improve stability in the UK.

Bletchley-Oxford Rail Link

11 am

Iain Stewart (Milton Keynes South) (Con): It is a pleasure to serve under your chairmanship for what I believe is the first time, Mr Caton. I am delighted to have this opportunity to help to promote the case for reopening the east-west railway line, which would link Reading, High Wycombe and the rest of the Thames valley with Oxford, Bicester, Aylesbury, Bletchley, Milton Keynes, Bedford and destinations further east.

The campaign is run by the East-West Rail Consortium, which is a partnership of local authorities, the South East Midlands local enterprise partnership, rail operators and Network Rail. The ambition is to have the western section included in the next control period—CP5—and HLOS, the high-level output specification, from 2014. I am in the process of establishing an all-party group to help to promote this campaign.

The east-west railway has the informal and slightly romantic name of the Varsity line, linking as it does Oxford and Cambridge, although the extent of the route is much greater than that, particularly the link to Aylesbury. My comments today will primarily focus on the western end of the east-west rail link. I should make it clear that many, including my hon. Friend the Member for Cambridge (Dr Huppert), regard this section as a vital first step to opening the eastern end of the line between Bedford and Cambridge, and from there linking into the existing rail network serving Cambridgeshire, Norfolk and Suffolk.

Mr Andrew Smith (Oxford East) (Lab): I congratulate the hon. Gentleman on securing this important debate and on his establishment of the all-party group. As he has mentioned the other place, I want to get in early and mention Oxford and how strong the support is for this initiative across political parties, both in Oxford and in the wider Oxfordshire county. The cost-benefit ratio is, of course, particularly good.

Iain Stewart: There is indeed widespread support along the line of the route and across parties. I was about to mention that this is not a new campaign. A former constituent of mine, a Mr Chris Wright, e-mailed me at the weekend to say that this year marks the silver anniversary of his involvement in the campaign to reopen the line.

By way of background, the line was built in phases between 1846 and 1862. The first attempt to close the line was made in 1959, but a local campaign opposed the closure. It did not even feature in the Beeching plans in the 1960s. It was only when fast trains were introduced between London and Cambridge and London and Oxford in the '60s that patronage fell away to such an extent that it was quicker for people to travel into London and back out again rather than make the cross-country journey. British Rail withdrew passenger services, except of course for the section between Bletchley and Bedford, which remains in operation today. Even though passenger services were withdrawn, the line remained in operation for many years and was used for a variety of purposes, including freight services and for diversionary passenger services when the main line was undergoing engineering work.

[Iain Stewart]

In 1993, the section between Bletchley and Calvert Junction was mothballed, although much of the track bed remains and, thankfully, none of the line has been built on. Much of the route is already back in use. In 1987, British Rail reopened the Oxford to Bicester Town section. The Chiltern Railways Evergreen 3 project, subject to the Secretary of State's decision on the recent public inquiry, plans to upgrade the line and build a new chord, which would see fast passenger trains from London to Oxford via Bicester and High Wycombe.

Chiltern Railways services have also been extended north of Aylesbury to the new Aylesbury Vale Parkway station, which has been built to service new housing development in the north of that town. The section between Aylesbury and Bicester remains open for freight purposes, so the line needs to be upgraded only for passenger services. My right hon. Friend the Member for Aylesbury (Mr Lidington) is a strong champion of the restoration of this passenger service.

John Howell (Henley) (Con): The historical perspective is useful and my hon. Friend is setting it out clearly. There is enormous support for this project including from, for example, Oxfordshire county council. A wide spectrum of organisations now supports it, and it will bring enormous benefits for people in my constituency who are within striking distance of Islip station.

Iain Stewart: I am grateful to my hon. Friend who illustrates the widespread support for this project. It cuts across both the public and private sector. I will come on to some of the benefits that I believe restoring this link will provide.

Ian Paisley (North Antrim) (DUP): The hon. Gentleman has outlined a history of the railway being in and out of fashion, and then back in again because demand renews as population shifts. That is very telling, because it seems to be the history of our rail system. Indeed, it is similar to what has happened in Northern Ireland. Does he believe that one of the benefits of rail is to stimulate the local economy and that that is the best way to get the economic growth that we so desire?

Iain Stewart: I am relieved that the hon. Gentleman is not calling for the line to be extended via a new tunnel under the Irish sea to Ballymena, which might be a little too ambitious. Nevertheless, he has made an important point. The country made a strategic mistake by closing so many railway lines in the '60s, which we are now painfully and expensively trying to rectify. I will come on to the economic benefits that he has mentioned.

George Freeman (Mid Norfolk) (Con): I congratulate my hon. Friend on raising this topic. On the role of rail in promoting economic growth, I want to put a word in for extending the innovation corridor across East Anglia to Norwich. I speak partly on behalf of the Economic Secretary, who cannot be here today. If we look at the story of the Cambridge phenomenon, one of the single biggest contributors was investment in the Norwich-Cambridge railway line and the non-stop connection. If we want to rebalance the economy, we should consider the eastern region's strengths in cleantech, biotech and life sciences. Extending the Oxford-Cambridge-Norwich corridor would play a key part in unlocking our global potential.

Iain Stewart: My hon. Friend makes an excellent point. I see this line as creating an arc of technology and new industry, which would be hugely beneficial to the economy. As I have said, I will come on to that in a moment.

There is another piece of the jigsaw. In 2008, Milton Keynes Central station was remodelled to enable it to incorporate east-west trains. This project is not about a new railway line; it is about reinstating, upgrading and integrating sections of railway line that already exist. As I shall come on to in a moment, that can be done for a comparatively small capital investment, and the project enjoys a benefit-cost ratio of more than 6:1.

Turning to the benefits, the east-west rail link is good for business and economic growth, good for the environment and good for the nation's wider strategic transport aspirations. At a time when everyone is shouting for more growth in the economy, this project would provide a rail link to an economic corridor that is at the cutting edge of the UK's economy. It would, for example, link Reading at the heart of the Thames valley, Science Vale UK with its world-leading research and development facilities, Oxford with its academic and tourism economy, Eco Bicester, which is one of the four eco-towns in the country, and my home area of Milton Keynes, which is a fast-growing new city with a dynamic economy. As my hon. Friend the Member for Mid Norfolk (George Freeman) has just pointed out, it would link with Cambridge, East Anglia and all the important economic sectors.

Peter Aldous (Waveney) (Con): Does my hon. Friend agree that the proposal would play a valuable role in getting freight from the east coast ports across the country without needing to go into London? It would also provide another way for passengers to travel without using the over-congested Great Eastern line from Norwich to Liverpool street.

Iain Stewart: My hon. Friend makes an important point. My comments are primarily about passenger services, but the freight side is equally valuable in putting together the strategic network for the country.

This area's economic strengths lie in key growth sectors for the future, such as high-value-added, science-based research and development, precision engineering and, especially, automotive engineering—Red Bull Formula 1 is located in my constituency and won this year's constructors' championship—pharmaceutical and life science research and development, green technology and low-carbon services and products. All those things are attractive to inward investment, and I believe that a fast, reliable public transport corridor that links them together and to the rest of the United Kingdom, as well as to the population centres from which they will draw their work force, will help to generate up to 12,000 new jobs.

Ben Gummer (Ipswich) (Con): I congratulate my hon. Friend on bringing this important matter before the House and the Minister. The largest software development centre in Europe is just outside Ipswich, and it would be a great help to link that to other centres of excellence at

Cambridge and Oxford. The line between Felixstowe, Ipswich and Cambridge has already been built, and it will be improved thanks to this Government's investment.

Iain Stewart: I am grateful for that intervention, which again illustrates the arc of economic growth that runs from east to west. The western section of the line will be instrumental in opening up the second phase of development eastwards.

Richard Fuller (Bedford) (Con): I, too, congratulate my hon. Friend on securing the debate; the Minister must be impressed to see a rail project that has such widespread, extensive and popular support, let alone with the economic benefits that have been outlined. Does my hon. Friend believe that such a project would also help with areas of economic deprivation? My constituency has seen levels of unemployment that are above the national average. Too often such issues are thought to affect other parts of the country and are sometimes overlooked in the eastern area.

Iain Stewart: My hon. Friend makes a valuable point. The south-east is assumed to be uniformly wealthy, but that is not the case. My constituency also contains pockets of deprivation, and this project will stimulate overall economic activity and benefit all areas.

A key benefit of this project would be a reduction in journey times, leading to a modal shift in our methods of transportation. The proposed rail link would result in a significant reduction in journey times from east to west. Road transport is a nightmare along that corridor, particularly in the key middle section of the line. I often have to drive west from Milton Keynes along the A421 trunk road between Bletchley and Buckingham and the A4421 from Buckingham to Bicester. Both roads are single carriageways, and they are so congested that it is difficult to predict journey times with any accuracy.

The time savings will be transformational. For example, a car journey between Milton Keynes and Oxford, which can take up to an hour and a half, would be replaced by a 40-minute train journey. The journey from Oxford to Bedford would reduce from over two hours by car to one hour by train. The east-west rail line would also open up a new direct rail link from Milton Keynes to Aylesbury and the rest of the Chiltern Railways network to and from London Marylebone. It would help to achieve a modal shift from car to rail, with all the environmental benefits that that entails.

Hon. Friends have raised the issue of wider connectivity and freight, and the east-west rail line would provide much better links with the UK national rail network. It would join up the Great Western line, the west coast main line and the midland main line, which in time would be followed by the east coast main line and the network in East Anglia.

The potential for wider rail services—passenger and freight—to use that corridor is significant, both for scheduling new longer distance services in the future, and for providing a north-south relief route should engineering work be planned on one of the main lines. Such a link would be a valuable piece of the UK's strategic railway jigsaw, and indirectly it would also relieve some of the pressure on London, which is a point raised by my hon. Friend the Member for Waveney (Peter Aldous). Many people find it easier and quicker to travel into London and go back out, rather than travel across country.

I hesitate to raise this issue, given its controversial nature in the rest of Buckinghamshire, but the east-west rail link would intersect with the proposed route of High Speed 2—the Minister and her colleagues will be glad to hear that I do not intend to enter into the pros and cons of HS2, because there will be plenty of time for that in the weeks and months ahead. Nevertheless, such an intersection would open up the possibility of a parkway station. If HS2 proceeds along the planned route, I would like to see the business case for a parkway station properly assessed in the context of the Y-network, and connections to Heathrow and High Speed 1. More than 500,000 people would live within 30 or 40 minutes' rail journey from a parkway station, which might significantly augment the business case for HS2. It would also go some way to answering the justifiable objections of people in Buckinghamshire who claim that they will endure the pain of HS2 but receive no gain. That, however, is a side issue, and the case for the east-west rail link stands independently from that for HS2.

All in all, the east-west rail project could generate an additional 2.5 million rail trips annually, and result in nearly 1.5 million fewer car journeys. It has the potential for an annual uplift in regional gross domestic product of £38.1 million and could generate additional annual tax revenues of £17.1 million. All those benefits could be secured for a relatively modest capital investment of £250 million, which, when put in the context of the £33 billion needed for HS2, seems a comparatively small sum. If 100% publicly funded, the project has a benefit-cost ratio of 6.3:1, and the ratio is 11.2:1 if there is a private sector contribution. Again, that compares favourably with the benefit-cost ratio for HS2 of about 2.6:1.

Much work is being undertaken by the consortium to realise private sector investment in the east-west rail project. After five and a half years, a positive income stream would be generated through the fare box and no ongoing public subsidy would be required. Last July, Oxford Economics was commissioned by the consortium to provide an independent assessment and review of the east-west rail link, and it concluded that there is a strong business case for the project to go ahead.

Through local enterprise partnerships, the consortium is developing a funding package to enable the delivery of the scheme via both the public and the private sectors. One key source of funding will be the HLOS for CP5, which is unique in that it is being promoted by a non-rail-industry entity. Consequently, it has not yet appeared in the initial industry plan for CP5, but nobody should take that as a sign that it is not a viable project. I believe that the east-west rail project is a no-brainer and that with a fair wind trains could be running by 2017. If the Government are looking to fast-track infrastructure projects that will deliver growth and jobs, may I gently suggest that the east-west rail project could easily be brought forward and that trains could be running by the end of this Parliament?

I conclude by paying tribute to Patrick O'Sullivan, the consortium's project manager from Jacobs Engineering UK, and all those involved with the East West Rail

[Iain Stewart]

Consortium, together with those who have campaigned to restore the rail link for many years. I am extremely grateful to have had this opportunity to present the case for the east-west rail link, and I hope that I have persuaded my right hon. Friend the Minister of its merits.

11.17 am

The Minister of State, Department for Transport (Mrs Theresa Villiers): It is a pleasure to serve under your chairmanship, Mr Caton, and I congratulate my hon. Friend the Member for Milton Keynes South (Iain Stewart) on securing the debate. I welcome the opportunity to consider the merits of the east-west rail proposal, and I welcome the strong attendance from MPs who support the project.

Like those of my hon. Friend, my remarks will focus on the western section of the project—the part most developed—although I may touch briefly on the central section if time permits. He has outlined with great clarity the potential benefits of reopening the line along the western section, and described the boost to economic growth that he believes it would bring, as well as the improvements in journey times, the potential for a modal shift in transportation and, not least, the potential boost to high-tech industries.

I was very impressed by my hon. Friend's contribution, and I was equally impressed by the presentation I received on this project last year, when my hon. Friend, together with my hon. Friend the Member for Milton Keynes North (Mark Lancaster), brought the chairman of the East West Rail Consortium to see me. At that useful meeting I agreed that the Department for Transport would work with the consortium in developing its plans, and that work has since progressed.

The Department has started evaluating the consortium's plans and forecasts as we prepare the high-level output specification that will set out the Government's requirements for rail control period 5 from 2014 to 2019. We will consider seriously whether we can provide funding to support the east-west rail project as part of CP5. We have heard today from hon. Members on both sides of the Chamber about the impressive value-for-money case that it seems can be established for the project. However, value for money on its own is not enough. We also need to consider affordability. There is no doubt that this is a very substantial scheme. Whether it proves affordable depends on the extent of alternative sources of funding available to support the project. It also depends on how the benefits of delivering the project compare with competing priorities for CP5—for example, the northern hub or other proposals to improve connections between our northern cities.

As my hon. Friend the Member for Milton Keynes South said, east-west rail is not in the initial industry plan put forward by the rail industry for CP5, but I can assure him that this project will be considered just as seriously as the proposals that are in the industry plan. It is worth noting that the industry plan does make provision for east-west rail, notably in relation to Network Rail's proposals for Oxford station. I can also happily inform my hon. Friend that the Association of Train Operating Companies is providing expert advice to the Department on the best-value long-distance passenger services that might use the route if it goes ahead. That is assisting our evaluation of the project and could enhance the value-for-money case for east-west rail.

I have been very impressed by the work of the consortium as well as the supportive MPs. The collaboration of the 20-plus local authorities in the consortium provides a good example for others to follow in building a broad local consensus for an ambitious vision of new rail infrastructure to support economic growth and, potentially, housing growth.

Richard Fuller: Will my right hon. Friend deal with an issue that is gaining currency for some of us who represent constituencies in the eastern area and in the south-east? Government investment priorities sometimes overlook the fact that there are significant areas of deprivation in the south-east. There is a tendency to favour projects in other parts of the country. This project is not only vital to economic growth, as has been mentioned. It is also of value in restoring opportunities for job creation in areas and pockets of significant deprivation. Will she deal with that issue?

Mrs Villiers: Certainly I will. My hon. Friend the Member for Pudsey (Stuart Andrew), who is sitting beside my hon. Friend the Member for Bedford (Richard Fuller), often berates me for not committing sufficient funding to rail infrastructure outside the south-east. The reality is that the Government must consider carefully where taxpayer funding will deliver the greatest economic benefits. Whether we are talking about deprivation in the south-east or in the north, that is a crucial issue that we need to consider to take the difficult decisions on where to prioritise funding. We do not at all assume that everywhere in the south-east is prosperous. We know that improving our transport infrastructure in both the south and the north can deliver major benefits in quality of life, jobs and growth. That is why we are seeking to roll out a major programme of investment that helps the whole country.

The consortium has funded much of the cost of its work on the project to date, steadily developing its plans so that they stand on an equal footing with projects being proposed by the rail industry nationally in the IIP. The consortium has also explored ways for local authorities to use the forecast economic growth to fund part of the building costs if the project gets the go-ahead. That could make the project much more affordable, as we have heard. If we can agree to provide some funding for east-west rail as part of CP5, we may look to the consortium to make good on those local contributions on which it has been working so hard.

Ben Gummer: Certainly many of us will welcome the tone of the Minister's statement, which is exciting. In the mix is the Greater Anglia franchise, which I know she is working on and which will start in 2014. A component of that will be infrastructure improvements. As much of this line falls within that franchise area, I wonder whether it would be possible to draw within the franchise a need for the new holder to invest in it as part of the franchise.

Mrs Villiers: Time constraints prevent me from going into the detail of what might be included in CP5 for the Greater Anglia area, but I am well aware of my hon.

Friend's campaign to improve the infrastructure there. That will be considered very seriously as part of both the HLOS process and the refranchising process.

Different ways of delivering the project have been carefully assessed by the consortium, with each one being tested for efficiency. I welcome, for example, its work on finding a lower-cost approach to planning consents, with a mix of permitted development rights and local authority planning permission.

The Government are already working on projects that could benefit the east-west rail corridor. As my hon. Friend the Member for Milton Keynes South said, the route between Oxford and Bicester Town, as well as being part of the east-west rail project, is being upgraded under the Chiltern Evergreen 3 programme. That will deliver new train services between Oxford and London Marylebone by 2014. Our agreement with Chiltern Railways includes funding the cost of strengthening the bridges and improving the tunnel, which will ensure that that section is capable of accommodating possible traffic resulting from east-west rail. Chiltern has planned its improvements so that the section is ready for a further upgrade of track and signals. Again, if east-west rail happens, that will be necessary.

My hon. Friend was brave enough to mention HS2. If HS2 goes ahead along the preferred route put forward for consultation, that could co-exist with east-west rail; there would be some synergies, potentially. The preferred route for HS2 would run parallel to east-west rail, between Quainton and Claydon. The operation of HS2 could free up busy parts of the west coast main line, including Milton Keynes, enabling new regional and local services to be run. That could improve the business case for east-west rail by providing space for more long-distance connecting journeys.

On my hon. Friend's proposal for an HS2 station, I can assure him that we are considering with great care all the consultation responses, including all those that have proposed new stations. He proposed that we should fast-track east-west rail and deliver it by the end of the Parliament. I see that as quite an ambitious goal, but I will take it on board in discussions in the run-up to the growth review.

I think that the consortium is right to concentrate on the western section of the route. The case for reinstating the central section between Bedford and Cambridge is less developed. However, it is generally accepted that if the western section gets the go-ahead, that will be the time for more substantial work to see whether we cannot take forward the rest of the project at some future point.

The railways are experiencing a renaissance in 21st-century Britain. More people are travelling by train than at any time since the 1920s. Despite a deficit as serious as any in our peacetime history, we are undertaking the biggest programme of rail upgrades since the Victorian era. In the days before privatisation, projects on the scale of east-west rail to reopen lines closed years previously would have been scarcely conceivable. Now, they are not just conceivable, but credible and even realistic. However, despite—

Mr Andrew Smith: Will the Minister give way?

Mrs Villiers: I am about to run out of time. Despite the strength of the business case, there is no doubt that a very large amount of investment—about £250 million—is required to rebuild the route, and the expanded train services would probably require extra subsidy in the early years of operation. Ultimate success will therefore depend on a continued focus on getting costs down and bringing in additional funding sources. It will also depend on what is affordable, taking on board competing priorities for CP5. This debate has provided a very welcome opportunity to consider those issues and is a valuable contribution to the preparation for the HLOS statement and the Government's decisions on what it will be possible to fund in the CP5 period.

Mr Andrew Smith: Before the Minister concludes, will she give way? There is still time remaining.

Mrs Villiers: I will.

Mr Smith: The Minister has referred several times to CP5, and like others present, I welcome the tone of her statement. When might we expect a further statement on the prospects for this important project?

Mrs Villiers: We are continuing to assess this. The HLOS statement will be published in the summer. I think that the latest deadline for that is July, but we have not set a specific date for publication. In the meantime, we will continue to work on this project, alongside the consortium, and as and when there is an announcement to be made or progress to be announced, I will ensure that the right hon. Gentleman is the first to hear about it.

11.29 am

Sitting suspended.

Aviation Industry

[MR ROGER GALE *in the Chair*]

2.30 pm

Mr Brian H. Donohoe (Central Ayrshire) (Lab): It is good to see you, Mr Gale, in the Chair. You and I, of course, have something in common, in that you used to serve, while I still do, in the British Transport police as a special constable. You will know something about transport, and I presume that I, too, know something about it.

It is good to have secured a debate on an important matter this afternoon and to see so many Members, under a one-line Whip, here to support me, presumably, on the importance of aviation. It is also good to see the Minister in her place, and the shadow Secretary of State, my hon. Friend the Member for Garston and Halewood (Maria Eagle), in hers this afternoon—unusual, it has to be said, for an Adjournment debate. I think that that shows the importance of this afternoon's subject.

My mind was taken away from the subject at the weekend because young Rosie Donohoe, my first grandchild, was brought into this world at 2.45 pm on Saturday. Rosie and her mother Lisa, and her father Graeme, are well.

Hon. Members: Hear, hear!

Mr Donohoe: I thank hon. Members.

I return to this afternoon's important subject, which is the future of the UK aviation industry. The aviation sector is vital for the economy, bringing financial benefits both to the UK and to those who serve the airline business. It is also important for the skills and the high-skilled employment that it brings and because of the important growing marketplace that the airline industry is within.

Coupled with that is the importance of the aerospace industry, which is connected to the airline industry in every respect. I have such an interest in the subject because a fairly sizeable chunk of employment in my constituency is based on those two industries. Spirit, which employs more than 1,000 people, is based in my constituency. Goodrich, GE Caledonian and BAE Systems are just a few of the companies that my constituency has within the sector. All are major stakeholders in the future of the aviation industry.

The aviation industry requires the Government to step up their responsibilities to provide a political framework to allow the sector to grow sustainably, integrated with other transport modes, which are equally important. We were involved in a few discussions just a number of weeks ago, and I see the hon. Member for Blackpool South—

Paul Maynard (Blackpool North and Cleveleys) (Con): North.

Mr Donohoe: Sorry; I will always get that wrong. I see the hon. Member for Blackpool North and Cleveleys (Paul Maynard) in his place this afternoon. He has taken the lead on the case regarding High Speed 2, which is part of the overall package that we have to consider today.

More than any other industry, aviation operates in a global marketplace and needs global solutions to avoid market distortions that would prejudice against UK industry. In that respect, it would be dangerous for the UK to add or continue with unilateral actions that would serve only further to drive UK industries abroad, along with the financial and skills benefits they are associated with.

About 15,000 jobs a year are at stake unless the UK finds way to increase aviation capacity in the south-east. The management at Gatwick airport has argued in a submission to the Department for Transport that that is of great importance to its airport, as well as to the whole country. The UK stands to lose between £20 billion and £47 billion of benefits over 30 to 50 years unless the Government reconsider the current stance of no expansion.

Iain Stewart (Milton Keynes South) (Con): I congratulate the hon. Gentleman and his family on the safe arrival of Rosie. He mentions airport capacity in the south-east. With the advent of a high-speed rail network, which he also mentioned, what is termed the south-east could be expanded to include airports such as Birmingham, which has considerable spare capacity. Should we not look at the whole of the southern part of the United Kingdom, rather than just what is narrowly defined as the south-east?

Mr Donohoe: I will return to that point, because I have included in my speech the effect of that and the question of the whole package.

Mary Macleod (Brentford and Isleworth) (Con): The hon. Gentleman talked about the need for additional capacity. Does he agree that London—he is talking about the south-east—remains the best connected city in the world, with more than 130 million passengers, which is more than many other great cities?

Mr Donohoe: I will come on to that as well; I have a speech that I would like to continue with. Last month, another runway was opened in Frankfurt, which will impact more and more on the position of the UK aviation industry.

The lack of hub capacity could cost the economy right now some £1.2 billion a year in lost trade. The CBI and other organisations, such as the Institute of Directors, say that that must be tackled if the UK is to maintain its global competitiveness, and I support them.

The coalition reversed the previous Government's plans to build a third runway at Heathrow and, as I understand it, oppose the building of new runways at Stansted or Gatwick, which runs at 78% capacity. The coalition has said that it will produce a new aviation framework by 2013, but we need to bring that forward. It is clear that unless we do so, we will lose business.

As a reminder, the UK is the sixth biggest economy in the world. The world is becoming increasingly interconnected, and its centre of economic gravity is moving further east, but the UK does not have a cohesive aviation policy. The coalition has allowed us to fall far behind. Frankfurt opened its fourth runway just last month. France's Charles de Gaulle already has four runways, and Schiphol, which is becoming more and more of a direct competition, now has six. We therefore have to think about where we are going in the future. Is it important for us to continue having a hub airport in the first place? One wonders whether that should be the way forward.

The Minister of State, Department for Transport (Mrs Theresa Villiers): I hope I can reassure the hon. Gentleman. Will he welcome the fact that passenger numbers at Heathrow have reached record levels over recent months? I recognise the crucial importance of Heathrow airport, which is why the Government have arranged a programme to ensure that Heathrow is improved and works better, with reforms to security and other measures, which I will talk about in my speech.

Mr Donohoe: It would be wrong not to. Indeed, there is the possibility of further expanding the number of take-offs and landings by increasing the number of mixed-mode operations, which I understand are still being operated at Heathrow. That will allow it to expand further. The problem with that is all the environmental issues will start to create a real problem, because the noise in the air would become far greater than the noise today. Given the size of Heathrow, there is a clear argument, as the industry and all whom I know have been making for some considerable time, for further expansion through a third runway.

Mrs Villiers: I am afraid that in this instance I may have to disappoint the hon. Gentleman. The trial that is under way at Heathrow is not mixed mode, but a series of operational freedoms geared at improving resilience and tackling and mitigating delays. Those freedoms are substantially different from mixed mode because we are great supporters of runway alternation.

Mr Donohoe: I will always be corrected by the Minister in that respect. Under the previous Government, there was a trial period of mixed mode. I understood that the only way we could increase the number of passengers going through the airport was if we brought mixed mode into operation. I do not think I will be proven wrong in that respect.

Graham Stringer (Blackley and Broughton) (Lab): Does my hon. Friend not agree that the number of passengers going through Heathrow is only one measure of its economic importance? If we look at the destinations served by Heathrow in its constrained state, we see that it is losing out in many of the emerging economies such as China, Brazil, Malaysia, India and Russia, and that is where the damage to the UK economy is being done.

Mr Donohoe: I could not have put it better. My hon. Friend will be speaking in this debate and will no doubt reinforce that point. It is clear that that is the situation.

Mary Macleod: Will the hon. Gentleman give way?

Mr Donohoe: I want to make some progress because I know that there are a number of hon. Members who wish to speak. To give way again will impact on that wish, so I will, if I may, move on.

The London Mayor believes that London will become a destination on the end of a branch line unless a new international airport in the Thames Estuary is built. Quite a lot of work would have to be done for me and many in the industry to be convinced of the practicality of such an airport. It is fine putting concrete on the ground, but difficulties emerge when it comes to airspace. The situation in the south-east is among the most complex in the world. Such consideration is vital in assessing the needs of an estuary airport, as there are major structural airspace implications. Of course, we could carry out such work; we have never argued that we could not. However, the scale of the airspace structural change necessary to accommodate the proposal would be enormous and should never be underestimated.

In NATS' expert view, a four-runway estuary airport could not operate in tandem with Heathrow if Heathrow were to remain the same size as it is today. Such an airport would need to be a replacement for Heathrow. There would be significant implications for other airports in the region, most notably for City airport, which I use weekly, Southend, Stansted and Biggin Hill. It is not simply a matter of shifting current traffic patterns to the east. The eastern boundary of UK airspace is an important factor. Belgian and Dutch airspace and the proximity of airports such as Schiphol and Brussels mean that climb and descent profiles would be affected, so international co-operation would be required.

With westerly winds in the UK prevailing for 70% of the time, westerly operations may increase departures over central London itself. Refining existing flight paths provides more certainty for people already living below them and would be better than blighting new areas, which is what could happen if Boris's idea goes forward.

Airspace is a critical pillar of national transport infrastructure, yet it is too often the forgotten factor in the consideration of aviation expansion, particularly airport development. The UK has 11% of Europe's airspace and 25% of its traffic. We are Europe's transatlantic gateway, which is a strategically important industry underpinning economic growth.

Airports do not work without the airspace to feed them. The Civil Aviation Authority has set out a blueprint for future airspace strategy, and NATS and BAA are co-chairing a cross-industry group over the next 12 months to work out an implementation plan. A major review of airspace has already been started. It has to assume that the current infrastructure will be in place. This is a once-in-a-generation opportunity, so the Government's policy framework needs to be able to stand the test of time. Fundamentally, if this opportunity is not to be lost, we need cross-party support, which the shadow Secretary of State has argued for for some time.

We face the possibility of being stacked in the air—it happened to me only yesterday. I believe that that is an inefficient way to operate, but some say that it is an extremely efficient means of maximising limited runway space. None the less, it is not very good for the passenger who is trying to get into London. NATS supports the provision of additional runway capacity in the south-east because that is where the demand is. That sounds like common sense.

Taxation is another important area. When I applied for this debate, I felt that somebody from the Treasury should be here with the Transport Minister. The industry is charged some £7.9 billion in tax. Tax is paid by

[Mr Donohoe]

aviation firms, and employees contribute around £6 billion. There is also the evil air passenger duty, which was introduced by a Labour Government. When it started, we had to pay £5 for short-haul flights and £10 for long-haul flights. Now, if a family of four want to go to Australia, they have to pay more than £700 in duty. I know families who now travel from Glasgow to Frankfurt, Charles de Gaulle or Schiphol. They then take their bags off the plane and get on to another plane to reach their destination just so that they can save themselves that exorbitant tax. We are one of very few countries in Europe to apply such a tax, and the Treasury needs to look at the matter. Without a doubt, we are haemorrhaging passengers who travel, connect and interconnect through Heathrow.

Ian Paisley (North Antrim) (DUP): I welcome what the hon. Gentleman says about airport duty. Northern Ireland has successfully campaigned for a reduction in its duty and we thank the Government for recognising that. The other issue that I want him to address is the connectivity between the peoples of these islands. Does he agree that we must not sacrifice our internal links for the sake of the more lucrative external links out of the United Kingdom? I am particularly concerned about the potential sale of British Midland International. If it goes ahead, will we see a reduction in internal flights between Northern Ireland and London and between Scotland and London? That is a concern.

Mr Donohoe: I am grateful to the hon. Gentleman for that; I will come on to that matter. Suffice it to say that, only last week, there was an announcement that British Airways was to buy the BMI routes. I predict that those will be the ones that operate between Scotland and England. We have already lost the service from Glasgow. Ryanair's winter programme is being implemented and there are no flights from Glasgow Prestwick to Stansted. Already we are seeing problems.

As the hon. Gentleman travels in planes as often as I do, he may have experienced similar problems. Any plane that I get on from Glasgow is always full, which shows that there needs to be further expansion in the number of domestic landings in central London. I will come back to that argument a little later.

Returning to APD itself, there is no doubt that that tax was introduced, like most taxes, at a minimal level, but it has become a significant factor in how, and from where, people travel long haul.

In the future, we need to have a joined-up approach on aviation policy and taxation, which of course would involve the Department for Transport and Her Majesty's Treasury. Such an approach is required to ensure that the tax system and aviation policy are aligned and consistent. Unless they are, we will lose out; of that, there is no doubt. A joined-up approach is absolutely imperative to ensure a sustainable and competitive aviation sector.

Returning to infrastructure development, the Government have adopted an aviation policy that states that there will be no new runway capacity in the south-east, potentially up to 2050. That approach is flawed. As demand increases, there will be a need for new capacity.

Mrs Villiers: Just to reassure the hon. Gentleman, the Government have never said that we have ruled out any capacity expansion in the south-east over that period. What we have said is that the coalition will not give permission for new runways at Heathrow, Gatwick or Stansted. That is not the same as saying that there will be no expansion in the south-east ever, under any circumstances.

Mr Donohoe: I take that point on board, but the Minister is drawing a very fine line in that sense, because I would argue that unless there is an increase in the number of runways, the potential for increasing the service all that much is very limited. I think I would be proven correct by asking the views of those in the industry itself. That is the clear answer I get to the point she is making.

There is no doubt that capacity in the south-east is restricted. As I argued earlier, the south-east is where the need for more air transport services is greatest, yet there is less ability to extract more capacity from the existing infrastructure. Heathrow and Gatwick continue to operate at nearly 100% capacity, even with continuing reductions in domestic services.

Looking to the future, in a global and highly competitive industry such as aviation, any demand management measures implemented by the UK Government would have far-reaching consequences for the economy, jobs and our connectivity with the rest of the world.

Karen Lumley (Redditch) (Con): Birmingham International airport, which is near my constituency of Redditch, is running at 40% capacity. With High Speed 2 hopefully coming on-stream soon, does the hon. Gentleman agree that that airport could be used to enhance passenger travel?

Mr Donohoe: The difficulty is that passengers will not travel out of London to Birmingham to fly to Schiphol and then fly long haul; the hon. Lady might think that they will, but they will not. The idea that they will do that is just nonsense. What they will do is fly short haul from wherever they happen to be to one of the connections that are readily available in mainland Europe and, it is argued, beyond, rather than doing what she is suggesting. Her suggestion is just not feasible as far as the aviation industry is concerned. In the short term, therefore, methods of leveraging capacity into existing airports need to be agreed, and in the medium term, capacity expansion at regional airports and in the south-east, including a second runway at Gatwick, should be considered.

That brings me to the point made by a Member from over the water in Northern Ireland: the hon. Member for North Antrim (Ian Paisley), who has now left the Chamber. There is the possibility of a further solution to the problem of internal connections within the UK, which is the use of a runway that is already in existence. That runway, of course, is at Northolt, which is only 4 miles from Heathrow. With a bit of realignment, that runway could take on board most of the domestic air traffic that flows into the south-east. That would allow the slots at Heathrow for long-haul flights, which come at a premium, to be relieved and it would allow passengers from the other regions in the UK to connect at Heathrow itself.

I have looked at this idea in some detail. The CAA has argued that it would be difficult to employ Northolt as an airport, but the difficulty is not insurmountable. Indeed, there are those within the industry who argue that Northolt is part of the solution to the capacity problem. I do not know whether the Government have looked at Northolt at all; if they have, it would be very interesting to know the Minister's view. For me, at almost a stroke the use of Northolt would mean that a third runway at Heathrow could become available, and it could be connected very simply to the main complex at Heathrow. That is a solution that should perhaps be given more thought.

In the long term, of course, the Government themselves have to decide whether the UK needs a hub airport. If they do and they decide that it will not be Heathrow, significant questions need to be asked, including where the hub airport will be located and when, and what criteria will be used to decide its location.

The current situation is unsustainable. The regions will be deprived. We have already heard about what is going on to the routes between Scotland and Heathrow, and between Northern Ireland and Heathrow. That problem will not go away, because airlines will be more inclined to go from Heathrow long haul, allowing for a far greater payload than would ever be the case with any domestic flight. That issue must be looked at.

In the future, we need to look more seriously at what the competition are doing. I have already said that Frankfurt airport has opened another runway, Schiphol airport has six runways and Charles de Gaulle four. Those airports are catching up quickly with Heathrow and their passenger numbers are growing at enormous rates. Their owners must laugh with glee at the stupid situation that we in the UK find ourselves in regarding our own aviation future.

Aviation is a significant contributor to the UK economy and nobody can argue against that. It is a driver of the wider economy, and it has been a great server of the public and a benefit to society. Although aviation can have an adverse impact on the lives of people living around airports and under flight paths, it can also bring many benefits to local and regional economies in inward investment and jobs. The aviation industry is committed to reducing its local and global environmental impact, but airport expansion—where it is required—is an essential tool for the growth of the UK economy.

A successful UK aviation policy requires a joined-up approach by Government that addresses taxation, infrastructure development and sustainability, to ensure that the aviation industry continues to stimulate economic growth and helps to rebalance the UK economy.

As a footnote, I predict that, if there is not an early indication of a change in policy by this Government, British Airways will be off to Madrid airport, which by that time will be run by the owners of BAA, and UK plc will be left miles behind.

2.58 pm

Jack Lopresti (Filton and Bradley Stoke) (Con): It is a pleasure to serve under your chairmanship, Mr Gale. I congratulate the hon. Member for Central Ayrshire (Mr Donohoe) on securing today's debate and, of course, on the new addition to his family.

As we have heard, the UK aviation and aerospace industries are vital to the UK's economic success. Moreover, based on the criteria set out by the Government to rebalance the economy, they have a vital role to play in delivering growth through manufacturing and exports. That will be the broad thrust of my remarks.

Our country's aviation endeavours are quite rightly a huge source of pride to many people. Aviation is a sector in which the UK is undoubtedly a world leader. In aviation, British engineering and manufacturing set the standard and still pull in big international orders.

Filton is in my constituency, and is where I live. Most people would agree that it is at the very heart of the UK aviation industry on the manufacturing side. We are fortunate to have an outstanding cluster of aviation and aerospace companies on our doorstep. Airbus, GKN, Rolls-Royce, Boeing and BAE Systems, to name a few of those companies, all have a significant presence in the constituency of Filton and Bradley Stoke and employ thousands of people.

This debate is about the future of the UK aviation industry, but I want to start by recognising the aviation heritage in my local area and how we reached the world-leading standards of today, because only by appreciating and understanding our past will we be able to maximise opportunities, develop a vision for the future and, crucially, inspire the next generation of engineers, scientists and other people who will work in the aviation industry.

Aircraft have been built and flown at Filton since their inception, and we are proud that our aviation roots are well over a century in the making—last year, we commemorated and celebrated 100 years of aviation in Filton. The pioneer and entrepreneur Sir George White, the humbly born son of a Bristol painter and decorator, was the founder of our local industry and, it could be said, the founder and father of British aviation. In 1910, Sir George founded the Bristol Aeroplane Company, and we should all honour and celebrate his legacy, because what he achieved was truly remarkable. He was a pioneer of aviation, a great philanthropist and a completely self-made man. This great Bristolian was the embodiment of social mobility and enterprise, and his example and legacy should be used to inspire the next generation of aviation and aerospace engineers and scientists. Without his vision, we would not have the home of British aviation in Filton, or the thriving UK aviation industry that we have today.

Sadly, BAE Systems has decided to close the airfield in Filton at the end of next year, but that provides us with many opportunities, with room to expand the existing aviation and aerospace industries locally, and plans are close to fruition for an aviation heritage centre, which will house the last complete aircraft built at Filton, Concorde 216, which was the last Concorde ever to fly. The plans importantly include a science, technology, engineering and mathematics learning centre, which will help to inspire children to go to college and university locally.

Perhaps unsurprisingly, there is a concern in the UK aviation industry that the Department for Transport is anti-aviation. I do not subscribe to that view, and I know that the industry appreciates that the concern is more down to airport expansion issues than to anything else, but the fact remains that it is important for our aviation industry's airline customers that there is an efficient air transportation system in the UK.

[Jack Lopresti]

Passenger numbers are set to continue to grow, which will help to fuel further growth in the aviation industry. Department for Transport figures show UK terminal passenger numbers increasing to 520 million per annum by 2050, from roughly 210 million in 2010 according to the Civil Aviation Authority. That increase is modest in comparison with that which will be seen globally, not least as a result of the rise of the BRIC economies—those of Brazil, Russia, India and China—and other emerging markets. Airbus's most recent global market forecast, published in September 2011 and covering 2011-30, foresees the need for more than 26,900 passenger airliners with seating capacities of at least 100, along with more than 900 new factory-built freighter aircraft. In the same time frame, the world's passenger aircraft inventory will more than double from today's 15,000 to 31,500 plus.

We should continue to push for further technological improvements and ensure maximum social and economic value for each tonne of CO_2 emitted, but the future growth of the aviation industry presents a major opportunity for the UK economy, and it would be unwise to start playing productive sectors of the economy off against each other as we seek solutions to climate change. In a highly competitive global market, adverse regulations that limit a particular sector's ability to grow domestically are more likely to increase the possibility of a competitor based elsewhere in the world gaining commercial advantage, than effectively to reduce greenhouse gas emissions. I encourage the Government to work through bodies such as the International Civil Aviation Organisation to promote solid and economically sound solutions.

That said, the overwhelming feeling I have picked up from the local aviation companies that I speak to regularly is that the Government are doing a lot of good work to ensure that the UK maintains its position as the world's second largest aerospace industry, which is an incredible national achievement given the economic conditions and the global competition.

Mary Macleod: Does my hon. Friend agree that this debate should be largely about not how we expand airports such as Heathrow—I do not subscribe to the need to expand them—but about transport across the whole UK, and about looking for creative solutions? The Eurostar is a perfect example, because most of us who travel to Paris or Brussels take it.

Jack Lopresti: My hon. Friend makes a good point. She has worked very hard in campaigning against the expansion of Heathrow airport. I agree that there has to be a more regional dimension to our transport challenges.

I have been asked by the companies that I talk to regularly to pass on their thanks and compliments to the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk), on his commitment to the aerospace growth partnership, which he co-chairs. The AGP is an industry and Government partnership aimed at addressing the future needs of the UK aerospace industry, and it will prepare a strategy that embraces technology, manufacturing and supply chain. Such initiatives give the sector confidence in economically uncertain times. By nurturing such relationships and demonstrating the UK Government's commitment to the sector, we are ensuring that Britain is one of the best places in the world for aviation companies to do business.

The Government sent another strong signal to my local industry by confirming in the strategic defence and security review announcement last year a major order for 22 of the fantastic A400M aircraft, whose wings are manufactured at the Airbus site in Filton. Not only is it a fantastic bit of kit that will provide a much-needed enhanced lift capability for our armed forces, but it will provide us with many export orders. The SDSR also gave us the good news that 14 specially converted Airbus A330 strategic transport and tanker aircraft will replace the ageing TriStar fleets, which will benefit our armed forces and the local and national aviation industry.

The aviation industry holds one of the keys to the economic growth that the UK desperately needs, and the Government are working hard to support the sector and its highly skilled employees. It is the UK's highly skilled aviation and aerospace work force who contribute so much to the industry's success, and I ask the Government to continue to do all that they can to support the industry's employees, especially in these tough economic times. I was very pleased to hear about the Government-backed talent retention solution from the Business Secretary's skills and jobs retention group. The TRS is designed to help engineers facing redundancy link up with companies with vacancies for highly skilled engineering and aerospace staff, and it is backed by top companies such as BAE Systems, Airbus, Rolls-Royce and GKN.

The aviation industry is an engine of growth for the UK, and we must do all we can to ensure that it is nurtured and protected. From progress on biofuel and research and development programmes to sustainable aviation projects, the UK is a world leader in aviation. As the industry confronts the challenges of operating in an ever-growing and increasingly competitive global marketplace, we must do all we can to help aviation and aerospace companies make the most of the fantastic opportunities that present themselves.

3.7 pm

Graham Stringer (Blackley and Broughton) (Lab): The future of the aviation industry has been hobbled by Government policy, but that future is important, and I hope to explain why in the few minutes available. I congratulate my hon. Friend the Member for Central Ayrshire (Mr Donohoe) on securing this debate, which is vital not just to aviation but to the whole UK economy.

Historically, the United Kingdom's aviation business has been the second largest market in the world, not just in the production of aeroplanes but in the flying of them. We are in danger of losing that position; we almost certainly will. The arguments for constraining runway and airport capacity in the south-east fall down when looked at in detail, as do the solutions, and I will try quickly to go through the reasons why.

Aviation is vital to the economy, not just because airports and aeroplanes—the production of them and the flying of people in them—produce jobs, but because reducing the connections that aviation gives us to the rest of the world is, in essence, like switching off the internet. If someone in the House stood up and said, "We're going to stop the growth of the internet and communications with the rest of the world," people would think that that Member had gone off his or her rocker. Effectively, however, that is what we are doing by constraining air capacity in the south-east.

There is only one hub airport in this country, and that is Heathrow. By constraining its runway capacity, we will not necessarily reduce any increase in the number of passengers using it, because operators can use larger aeroplanes on the same runways. However, we will certainly reduce its importance to the economy, because we will reduce the number of destinations it serves. Already, the number of short-haul destinations served by scheduled services from Heathrow is 46, while Amsterdam has 67, Frankfurt 74, Paris 78 and Madrid 63. Heathrow still has more long-haul destinations than those airports, but there is an ecology of short-haul and long-haul routes, and as the number of routes diminishes, so Heathrow's importance also diminishes. Heathrow already has fewer connections to some of the growing cities in China. As I said in an intervention on my hon. Friend, it has fewer connections to Malaysia and to the BRIC—Brazil, Russia, India, China—economies than its competitor hubs in the rest of Europe, so it is already losing out, and it will lose out further.

It is often said that the regional airports can take the strain, and the hon. Member for Redditch (Karen Lumley), who is no longer in her place, said that people will go to Birmingham. However, all the evidence is that the airlines have no levers to help them to get extra capacity at regional airports, and they have not had any for 20 years. We are going through a recession and economically difficult times, and the loss of traffic at regional airports is about twice the rate at Heathrow. Indeed, the Government's policies—this also applied to the previous Government—are having a perverse impact, because of the nature of the economies involved. Air passenger duty has a really negative effect on regional airports, and some airlines are choosing to use hubs outside a region because of it. The most recent example that I have come across—there are others—is AirAsia, which was more or less signed up to using Manchester airport, but which is now flying from Kuala Lumpur to Charles de Gaulle. The reason that it gave was simply air passenger duty.

What is true for regional airports, where air passenger duty has a differential impact, is also true for the whole United Kingdom economy—we can do the sums and see the transfers. It is not just that flights are not happening at regional airports, but that operators of flights—particularly tourist flights—from Japan, south-east Asia and the emerging economies are choosing to go to Charles de Gaulle, Frankfurt, Schiphol, Copenhagen and Madrid, rather than Heathrow, because of the extra cost of air passenger duty. As a result, air passenger duty is damaging not only regional airports, but Heathrow itself.

I was pleased by the decision to reduce air passenger duty at Belfast airport. However, if we want to use the capacity at our regional airports, there needs to be a differential between them and the south-east airports. Any differential must help our regional airports, rather than being less than helpful to them, as it is at present. The other way that regional airports could be helped is by building infrastructure. Very few airports in this country have direct links to high-speed trains or good public transport connections. Improving public transport to our regional airports at a cost to the public purse would therefore help in some way.

The biggest push that could be given to our major regional airports, such as Birmingham, Manchester and Glasgow—I do not think this really applies to other regional airports—would come from completely opening up the skies. The previous Government gave regional airports the ability to take flights, with their permission, with fifth freedoms, which meant that those flights could pick up passengers at those airports. That is an advantage, but it would be a much bigger advantage —I imagine this would appeal to a Conservative Government—if we completely opened up the skies around those airports, so that any aeroplane could fly in and out, pick up passengers and take them wherever they wanted. Historically, the only reason why that has not happened is the Government's over-protectionist position towards British Airways and BAA.

Things can be done to help regional airports that go beyond what is being done at the moment, which is counter-productive. Incidentally, if air passenger duty is such a good idea, why do so few other countries in Europe have it? Only four other countries—Denmark, Norway, Malta and Holland—have it; some have tried it and got rid of it because it is so economically damaging. We have to test these things against what our competitors are doing to find out whether we should have them, and I do not think we should.

It is often said that there are environmental reasons for constraining traffic in the south-east. As my hon. Friend explained, however, when we look at the detail of what happens, it becomes clear that people do not stop flying because of constraints in the south-east system; they use other hubs, and the constraints imposed by air passenger duty reinforce that. Rather than taking a direct flight or using Heathrow, people from Manchester will fly to Schiphol, Copenhagen or wherever and fly onwards because it is cheaper. That saves them air passenger duty and it saves them going into the constrained south-east hub. As a result, there is at least twice the environmental damage, because aeroplanes produce most pollutants—carbon dioxide and other pollutants—when they take off. Someone going to, say, Tokyo may go via Copenhagen. There are not, therefore, good environmental reasons for such a view.

Regional airports are not an alternative, for the reasons that I have given. The former Labour Secretary of State, Lord Adonis, said Boris island was bonkers, and within five minutes of looking at it, we can see that it will never happen—for environmental and planning reasons, and because of the sheer cost and financing involved. When there were fewer environmental issues, it took Munich 25 years to develop a new airport, which opened in 1992. Something as huge as Boris island will simply not happen as an alternative.

I should like to make a number of other points, but other hon. Members want to speak, so I will sit down. There is, however, no real alternative to expanding Heathrow; we certainly cannot use Heathrow and Gatwick as one airport. The Government's policies are hugely damaging to the aviation industry and the UK economy.

3.19 pm

Paul Maynard (Blackpool North and Cleveleys) (Con): I congratulate the hon. Member for Central Ayrshire (Mr Donohoe) on securing the debate. I shall try to be quick, because I know other hon. Members want to speak, so this will be high speed, if not on high rail, which will make a nice change.

I welcome the progress that the Government are making on aviation policy. They are taking steps in the right direction. It is not fast enough for me or many in the industry, but perhaps we need to learn patience. Good, evidence-based policy is not one of Jamie's five-minute meals. It needs good-quality evidence, and if we do not form policy based on evidence, rather than on prejudice, it is plain stupid. I am not here to boost Blackpool airport, although it is a wonderful airport to fly into and see the wonders of the Fylde coast. I do not even want to waffle on about air passenger duty. I do not want to tempt the Minister down a route that she probably does not want to go down, given that she is not a Treasury Minister. I do not even want to bang on about a third runway at Heathrow, because I think that is a stable door that was shut long ago, unfortunately.

We must discuss a more fundamental question: what does UK plc need from our aviation industry? What do we actually need? Hidden, buried away like a nugget of gold within the scoping document, are two fundamental questions that the Government must consider. What are the benefits of maintaining a hub airport in the UK? And how important are transit and transfer passengers to the UK economy? Those things may seem self-evident. How could anyone dispute them? Yet a fortnight ago I met a commercial director for a regional airport, who said, "There is no such thing as a hub airport. There is no Government definition of one, so they don't exist. So we don't need a hub airport any more." That struck me as the most illogical and ludicrous thing one could possibly argue, but none the less he tried. I would prefer to focus on not Boris island but Boryspil airport, which, for those who do not know, is the main airport for the city of Kiev, the capital of Ukraine. That is a classic example of an emerging market destination, which is economically crucial, and to which services from the UK are not sufficiently good. Yet all the aviation policy that we seem to be able to focus on is some future airport in the Thames estuary. We need to focus on the needs of the UK economy—of UK plc—here and now.

I welcome the work that I know the Minister is doing to make Heathrow and the other south-east airports function better, so that we get bang for our buck and extract the maximum from the capacity that we already have. I want London to be surrounded by a string of pearls in the form of excellent, functioning airports. One of them, however, cannot be a pearl but must be a diamond—the hub airport. To understand why, we must understand the definition of a hub airport, and why it matters to the economy. Transfer passengers do not exist merely for the benefit of Starbucks. The Frontier Economics foundation recently issued a report showing that there are at least 13 flights to emerging market destinations in which more than half the passengers are transfer passengers, who did not start their journeys at Heathrow. The more that we squeeze the short-haul flights that the hon. Member for Blackley and Broughton (Graham Stringer) referred to, the harder it will be to sustain flights to emerging market economies, because we will not have the transfer passengers, which is a grave concern.

I confess that a few months ago I wondered whether the UK really needed a hub airport. The Japanese Transport Minister once famously said that Incheon in South Korea was now Japan's hub. I know that for many of my constituents Schiphol or Charles de Gaulle is essentially their hub airport. I began to think, "Can the UK survive without a hub airport? Can't we just fly to Paris or Amsterdam?" However, the Frontier Economics report makes the fundamental case why we cannot do that. It is explicit about the amount of trade that we are losing as a consequence of having poorer connectivity with the emerging market economies. It is a question of not only the number of people flying through Heathrow, but where they are going. The hon. Member for Blackley and Broughton rightly made the point that Heathrow's number of destinations is gradually dropping. In the past five years, it has decreased from, I think, 227 to 180. Over the same five years, the number of destinations reached from the main competitor hubs in Europe has increased.

There is clearly a case to be made that Heathrow is entering a period of consolidation. It may be getting more passengers, but they are going to fewer places, and, in the cycle, that is usually the beginning of the end of an airport's hub status. That is what happened to New York about 20 years ago, when the destinations started to drop off and it lost its hub status. While I fully expect that in the coming 20 years Heathrow will remain England's major international gateway, I have concerns whether it will retain its hub status. Hon. Members may ask whether that matters. New York no longer has a hub airport, but it remains a world city. I question whether we—UK plc—can afford to sacrifice the economic benefits that come from a vibrant, well-connected hub airport, which I think is fundamental.

Mary Macleod: Does my hon. Friend realise that London has 92 flights a week to China, whereas Paris has 73 and Frankfurt 69? We have good connectivity with China, one of the most important growing economies. Surely the issue is about working with businesses in China and elsewhere to find out their requirements. Has he had any correspondence with businesses there to find out whether they require additional flights to Heathrow and London?

Paul Maynard: I thank my hon. Friend for that useful intervention. Of course the main reason, historically, for our having far more flights to China is our historic tie to Hong Kong. The destinations that we serve are Beijing and Shanghai, and there are more than 3,000 seats a week going to Hong Kong. I think that Frankfurt serves five destinations and Paris four. We dominate on the Hong Kong routes, but we underperform in relation to all the other top 10 Chinese cities. Of course, economic growth in China is happening not in Hong Kong but in cities that most of us have probably never heard of—the likes of Chengdu and Dongguan, which no one is yet serving. Far more than focusing just on the number of people who are flying and the routes they are flying on, we must think about connectivity. Are we serving the places where the economic growth is?

I make a plea to the Government. I welcome what they are doing to make the airports around London and the south-east more suited to improvements in the passenger experience, but I ask that we should not overlook the benefits that can be provided by an active, well-maintained and well-funded hub airport, which works well and connects to the places that UK plc needs to be connected to for growth. That needs to be a fundamental part of our aviation strategy.

3.27 pm

John McDonnell (Hayes and Harlington) (Lab): I shall be as quick as I can, because others want to speak. This will be the first debate in perhaps two decades when our colleague Alan Keen has not been with us, and I pay tribute to everything that Alan did over the years. On a happier note, I, too, welcome Rosie. Given the interest in aviation shown by my hon. Friend the Member for Central Ayrshire (Mr Donohue) she clearly arrived by stork.

I obviously have an interest in Heathrow, which is in my constituency, because of my constituents who work there, fly out of there and live around it. With reference to those who live around Heathrow, I want to tell BAA and colleagues who are present that the third runway is dead: that is it; it is over; it is finished. All major political parties have made it clear now that it will not be built. As to my hon. Friend's novel idea about Northolt, this is almost becoming personal now—they are coming at me from all ways. Northolt was ruled out a long time ago because of its impracticality. It would cause just as many problems as expanding Heathrow. I understand the Government's interest in making Heathrow more efficient, but experimentation around the Cranford agreement, moves towards mixed mode and, certainly, any attempt to increase the number of night flights would be resisted, because of noise and pollution. Nevertheless it is worth examining how we can make Heathrow much more efficient.

Despite everything that has been said by all the major parties, the blight in my constituency continues because of BAA's continuing angst and lobbying for the third runway. It needs to be made even more explicit now to BAA that that is not going to happen. I say that—people may have seen the television programme last night—because BAA has bought up nearly two thirds of Sipson and refuses to sell the properties to families. It has made them available to families on short-term licences of up to two years and no more, although it now tells us that those licences are possibly renewable. It is destabilising the village. In addition, the threat of the third runway that BAA keeps mooting is still blighting the villages of Harmondsworth, Longford, Harlington and Cranford Cross.

One solution—I say this to the Government on a cross-party basis—is to agree to put in place a similar covenant to the one at Gatwick that will ensure for generations that there is no further threat of a third runway in the area and that is legally enforceable and binding.

We have discussed the role that High Speed 2 could play in alleviating the pressure on Heathrow. I support High Speed 2, but we need a consultation on the routes into Heathrow as soon as possible. Not consulting on the overall route has caused further blight, particularly within the London borough of Hillingdon.

An issue has come up this week involving my constituents who work at Heathrow. The European Transport Workers Federation, the union representing aviation workers across Europe, held a demonstration on Monday about the deregulation of ground handling services such as baggage handling, ticketing and general passenger facilities. They are concerned that deregulation might not only put security operations at risk at airports across Europe, but affect staff health and safety.

On another staff issue, Heathrow is still a wonderful area of employment opportunity for all west London constituencies. It is still recruiting staff, yet the Government are consulting on closing the Heathrow jobcentre, a reduction of six staff members. Employers and unions alike have urged the Government to rethink, as it is one of the best recruitment facilities at the airport for ensuring that local people are attracted into employment and that the skills base in the area is developed.

Both staff at the airport and those flying out of Heathrow are affected by an issue that the British Airline Pilots Association raised with its members recently. The European Union is seeking to relax the flight time limitations on pilots. Britain has the gold standard, which ensures that we have the best safety standards in the world, but the European Union is seeking to undermine that gold standard and bring us into a system that reduces protections and weakens regulations. BALPA, the trade union for pilots, has made it explicitly clear that it is extremely anxious about the safety implications of the moves within Europe.

Those are the issues that I wished to raise in this debate. On the expansion of Heathrow, there comes a time when my hon. Friends must recognise that they are no longer in the majority but in a small minority. Continuing to harp on about the need for a third runway not only destabilises the population around Heathrow, but prevents our getting on with developing a proper aviation policy that is integrated with transport overall.

3.33 pm

Mr Rob Wilson (Reading East) (Con): I congratulate the hon. Member for Central Ayrshire (Mr Donohoe) on securing this debate and on the birth of his new family member, Rosie.

I want specifically to discuss my strong support for much-needed improved ground access to Heathrow. In my view, there is a specific and strong case for improving railway connectivity to London Heathrow via a western extension of services. The case is not based solely on improved accessibility for passengers, because it is also driven by a strong national economic imperative.

This is a debate about the future of the industry. Often, when talking about the future, we try to be optimistic. Optimism is definitely required when discussing aviation, due to the financial challenges facing the nation. Given the financial crisis and the need for economic growth to stimulate recovery, we must be mindful of the contribution made by the industry. Simply put, we all acknowledge that a strong aviation industry is good for the British economy.

In that light, I am keen to secure the multiple benefits of improved rail access to Heathrow airport for my constituency of Reading East. However, it is worth noting that the benefits of access reach far wider than individual constituencies. I have been working closely

[Mr Rob Wilson]

with key figures in government and the railway and aviation industries to make extended western access to Heathrow a reality. As we debate the future of this important industry, I am pleased to report that the project is making progress, which is important.

Estimates from the Treasury put the aviation industry's contribution to the UK economy at £18 billion, which cannot be ignored in the current economic climate. The aviation sector employs 250,000 people directly and an estimated 200,000 more in the supply chain. Again, that contribution should not be taken lightly. Heathrow airport has 65.7 million terminal passengers each year, and Department for Transport forecasts estimate that that figure will have risen to 85 million by 2030.

Looking to the future, as air travel grows, so will the industry's contribution to the wider economy. We cannot afford to ignore it or fail to make the right investment to exploit it. After all, there are plenty of other airports across Europe willing to challenge Heathrow's position. We must defend Heathrow's pre-eminence on the European and worldwide stage. There is, of course, a balance to be struck between aviation expansion and its negative impacts, such as the environmental considerations that hon. Members have discussed.

Mary Macleod: Does my hon. Friend agree that we must also take account of local residents? What we really want is to make Heathrow better, not bigger, and to ensure that the noise impact on local residents is minimised.

Mr Wilson: Of course. I think that the hon. Member for Hayes and Harlington (John McDonnell) would totally agree. The Government have said that expansion should not come at any price. As we know, they have cancelled the planned third runway at Heathrow. There is, by and large, cross-party consensus on the issue. However, that is not to say that we cannot make improvements to the system that we already have, as my hon. Friend has said, and Heathrow is a prime example. Improved western railway access to Heathrow would help to maximise the benefits that the airport provides.

For my constituency, that means strengthening Reading's standing as the commercial centre of the Thames valley. Direct railway access to Heathrow would entrench and extend Reading's position as a place to do business. Leading technology companies such as Microsoft and Oracle have established headquarters in Reading East, along with many other companies too numerous to name with a global outlook and an international reach.

The lack of direct rail access has rightly been described by the president of the Reading chamber of commerce as bringing "huge frustrations". Big businesses based in Reading pay an estimated £10 million a year in taxi fares to send executives and business people to and from Heathrow, which is not particularly business-friendly. Money is not the only cost to businesses resulting from inadequate connectivity to the airport. The absence of a link also costs them precious time that could be spent with clients and customers. Lengthy journeys on the M4 to Heathrow, with their inherent risk of traffic jams and other delays, are not acceptable for international businesses.

The easier transport to an airport is, the more people and businesses will use it, in which case the economic benefit will then flow into the wider economy. I have been working with key figures at BAA, Network Rail and First Great Western and officials from the Department for Transport. All have come together to breathe new life into the project. As a result, £119,000 in funds was recently allocated to Network Rail, and design consultants have been appointed. A feasibility study is under way and is due to be completed in December. I look forward to the report's publication.

As I have outlined, the exciting benefits for Reading East are clear, but the project also has the potential to open up direct rail access to parts of the country that are poorly served. For the first time, Heathrow would become directly accessible to Wales, Herefordshire, Devon, Dorset, Cornwall and many other areas by means other than car or coach. I have no doubt that hon. Members representing constituencies in those areas would also benefit, and that they look forward to the report's publication. Additionally, I hope that they will attend a parliamentary reception that I am hosting on Thursday 24 November to give the project further traction. I am delighted that my right hon. Friend the Transport Secretary will speak at the event.

I am passionate and serious when I say that this project is part of the future of the aviation industry. The implications of this important expansion in accessibility are vast, as millions of people would find themselves with a new route to Europe's busiest airport. As the world shrinks and our outlook becomes ever more global, why should some parts of Britain be disjointed in their access to our premier airport?

I am optimistic about the future, despite the gloomy economic outlook. Aviation will play an important role in delivering growth for the UK economy. We cannot afford to endanger that future prosperity by not constantly seeking improvements to the industry—in this case, through better connectivity to Heathrow airport.

3.40 pm

Jim Sheridan (Paisley and Renfrewshire North) (Lab): I will be brief, Mr Gale, because I am conscious of the time. Siren voices in Scotland are already arguing that air passenger duty should be devolved to the Scottish Parliament. I do not share that view, because it would create more problems than it would solve, so I hope that the Minister and her colleagues will resist any temptation to do that.

On Scottish airports, increased competition for slots at Heathrow is already causing a problem, as my hon. Friend the Member for Central Ayrshire (Mr Donohoe) suggested by highlighting BMI's withdrawal of its flights from Glasgow to Heathrow. The net result is that we have only one airline that flies from Glasgow to London Heathrow, namely British Airways, which has a monopoly where the prices are already soaring. That has given us many problems.

Finally—I am grateful for this opportunity to speak, Mr Gale—Scotland is located on the periphery of Europe and, as such, travelling by air is not a luxury, but an essential element of business and family life. I sincerely hope that the Minister takes that into account.

3.41 pm

Maria Eagle (Garston and Halewood) (Lab): I congratulate my hon. Friend the Member for Central Ayrshire (Mr Donohoe), first, on securing this debate on the future of aviation, which has clearly been in demand from other Members—we have had an excellent debate—and, secondly, on the birth of his granddaughter, Rosie, who will think that she is the centre of the universe by the time she is old enough to read *Hansard*. I also welcome you, Mr Gale; it is a pleasure to serve under your chairmanship.

Our aviation industry is central to our economic prosperity and should be a key driver of the growth without which we have no prospect of emerging from the dangerous economic situation in which we find ourselves. The industry contributes more than £11 billion to the UK's gross domestic product—more than 1% of the total—and supports up to 200,000 jobs directly and 600,000 indirectly across the UK.

I regret, however, that just as the Government do not have a credible strategy for growth, neither have they yet managed to set out a credible strategy for aviation, let alone set out the role that aviation could play in improving our economic situation. For a crucial sector on which our economy depends, the reaction from business to the Government's decision not to set out an aviation strategy until the latter part of this Parliament has ranged from incredulity to plain bemusement.

I would much rather that we were not in opposition—it is a deeply frustrating place to be, as the Minister may recall—but the one thing that it provides is the time and space to develop ideas for the future, as well as some detailed plans. However, after 13 years in opposition, it is clear to the industry and to the wider business world that this Government came to office without such plans.

We have had lots of consultations, relentless industry engagement, scoping documents and taskforces. That is all very laudable, yet none of it makes up for the lack of a policy, let alone a strategy. With the economy on the brink, holding out the prospect of a policy late in the latter part of a five-year Parliament is, frankly, not good enough. It represents a total failure to prepare for government, and Members do not have to take my word for that. The chairman of the Airport Operators Association, Ed Anderson, has said that, while the industry knows what the Government are against,

> "we are not sure yet what it is in favour of",

and he went on to describe "better not bigger" as an "election slogan", saying:

> "Better not bigger doesn't constitute a strategy."

The Government also face international criticism. The chief executive of the International Air Transport Association, Giovanni Bisignani, has been quoted as saying that the Government seem

> "intent on destroying its competitiveness with a policy agenda focused on increasing costs and limiting capacity growth."

Sir David Rowlands, a former permanent secretary at the Department for Transport, has described the Government's policy as "mildly extraordinary", which is damning criticism from somebody from the higher reaches of the mandarinate.

Baroness Valentine, speaking for London First, said in another place earlier this year that

> "government seems content for aviation policy to drift."—[*Official Report, House of Lords*, 24 March 2011; Vol. 726, c. 872.]

She has also said, most damningly, that

> "the Government's aviation strategy is damaging our economy and enhancing that of our EU rivals."

We have heard that criticism echoed by some Members who have contributed to today's debate.

Henry Smith (Crawley) (Con): Will the hon. Lady give way?

Maria Eagle: In a moment.

I am sure that the Minister saw the letter in *The Times* earlier this year signed by 74 senior business leaders. Setting a long-term strategic direction for aviation in London, the wider south-east and across the country is a vital part of delivering the growth and jobs that the country needs; and the letter concluded:

> "All options must be considered, short term and long term, to address growing demand."

We agree with them, which is why earlier this month, in a speech to the Airport Operators Association, I made an offer to the Government, which I am happy to repeat today. We are willing to take the politics out of aviation, put aside party differences and work together on a joint aviation policy for the good of the nation. As I have said, this is a clear, unambiguous offer, with no catch.

Aviation matters to our country—every Member who has spoken in this debate has said so—and to businesses and families throughout the country. It is an industry that needs stability for the long term, and a long-term plan that straddles Parliaments and Governments and that is capable of surviving after fruition.

In addition to the Government's more immediate work that they must conclude—that is fine—I believe that the best way forward is the establishment of a cross-party commission to set out our long-term aviation strategy for a generation or more. We should not have rows from one Parliament to the next about an element of the strategy, but set out a long-term plan. We must not repeat the party political wrangling that turned the proposed third runway at Heathrow into a political football. We must also agree that we will then stick to that agreed strategy, whatever the outcome of the next election.

Any terms of reference for such a cross-party examination of capacity will inevitably start with an understanding that the answer for the south-east will not be to fall back on the proposed third runway at Heathrow. We have accepted that the local environmental impact means that that is off the agenda. The cross-party body must have the freedom to look at all options for growth, including in the south-east, while prioritising making the best use of existing runways and airports. A bigger prize is available for us all if we put political battles to one side and develop a long-term strategy for aviation to which everybody can sign up. It is time to move on and find an alternative way forward.

I should like the Minister to clarify the Government's position on two further issues: first, the link between high-speed rail and aviation; and secondly, emissions from aviation. We have offered Ministers our clear, cross-party support for the high-speed rail line that we proposed when in government. I have been clear that we will work with the rest of the House to deliver the

[Maria Eagle]

legislation needed to take forward that vital project. We fully accept that there is simply no other credible way to tackle the growing capacity issues on our existing main rail lines. We have, however, argued that there is a clear case for connecting the new high-speed rail line directly to Heathrow from the start. The Opposition and the Government agree that the line should connect to Heathrow; the only debate is over whether that happens from the start, or via a costly, multi-billion pound spur, tacked on at a later date.

As we have argued, taking the line via our major hub airport opens up the prospect of private sector funding, potentially saving the taxpayer billions. It would lead to a new route that made better use of existing transport corridors and better protected the area of outstanding natural beauty that the current proposal crosses. It would also open up the opportunity to connect to the Great Western main line, thus bringing the benefits of the high-speed line to the south-west and Wales and increasing connectivity for the south-west to Heathrow.

Creating a major new transport hub to the west of London at Heathrow—rather than several miles away at a site with other, inadequate transport connections—that mirrors the hub in the east at Stratford represents the joined-up thinking that is too often lacking in our transport infrastructure planning. I hope that the Minister will confirm that the Government are looking at that alternative proposal.

Our proposal is one that the Minister herself supported when she was the shadow Secretary of State for Transport, and I suspect that she still sees its merit. I hope that she will indicate a willingness to look again at it. She has our support as she seeks to do better at persuading her new Secretary of State of the merits of the case than was possible with the previous Secretary of State.

On carbon emissions, I hope the Minister agrees that we will simply not achieve the goal set out in the Climate Change Act 2008 to reduce emissions by at least 80% by 2050, compared with 1990 levels, unless aviation does more. That is why we believe that future aviation growth must go hand in hand with a greater cut in aviation emissions than we agreed when we were in government.

The Government have failed even to re-affirm their commitment to the existing emissions target for aviation that we set in government. I hope that the Minister will take the opportunity to do that today and that she will support our call for the Energy and Climate Change Committee to set out what it would mean for aviation to go further and ask it to update accordingly the carbon budgets that have been set.

I hope that the Minister will agree with us that, in principle, international aviation should be included as well, once the Committee produces its advice on accounting methodology. As the Minister will know, the industry's sustainable aviation road map makes it clear that, by 2050, it is possible to get absolute emissions down to levels seen at the turn of the century, even as passenger numbers are projected to grow by a factor of three, so we all agree that it is possible to do more. Therefore, this should be seen not as a threat but as an opportunity. Fuel efficiency improvements in aircraft engines and air frames, improvements in air operations, both in more fuel-efficient practices and air traffic management, and the use of alternative fuels produced sustainably—all those things can make a contribution. The UK should be at the forefront of developing the new technologies that enable the aviation industry to thrive, while reducing emissions.

I again thank my hon. Friend for securing the debate. I hope that the Minister will feel able to respond positively and make up for the Government's failure to date to provide an aviation strategy, which this country so badly needs.

3.51 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): I congratulate the hon. Member for Central Ayrshire (Mr Donohoe) on securing the debate, and on Rosie's arrival. I would also like to associate myself with the comments made about the late Alan Keen and his sad, recent death. He had a long and distinguished record on aviation matters.

I agree wholeheartedly with the importance that hon. Members have attributed to the aviation industry as a strong part of our economy and a vital gateway to the global marketplace for business. Many hon. Members made that point, including the hon. Members for Blackley and Broughton (Graham Stringer) and for Central Ayrshire. I also welcome the emphatic support for the aerospace industry provided by my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti). Supporting and providing the right economic climate for manufacturing to flourish is a hugely important part of the Government's overall economic strategy. It is crucial that aviation in the UK is able to grow and prosper in the future, but I think we are agreed that a dash for major aviation growth regardless of cost is not the right approach. That is why we are developing a new aviation strategy to set out the way forward that will allow the British air transport industry to grow in the years and decades ahead, as well as addressing its environmental and quality of life impacts. No one underestimates the scale of the challenge, because reducing harmful emissions through greener technologies is more complex in aviation than in other transport sectors and will take longer to deliver.

In response to the points made on air passenger duty, we have listened with care to industry concerns, which is why we have made it clear that switching to a flight tax is not viable without wider international support for such a move. We have postponed this year's inflation-based increase in APD, and proposals for further reform of the tax will be published soon.

In response to the hon. Members for Central Ayrshire and for Blackley and Broughton on the issue of the Thames estuary airport, as the Prime Minister has said, the Government have no plans to build a new airport in the estuary, or in Medway or elsewhere in Kent. The hon. Member for Central Ayrshire outlined some of the practical issues that would have to be surmounted before such a programme could go ahead, including, of course, the very significant airspace capacity issues. Nor do we have plans to redevelop Northolt as a third runway for Heathrow.

I agree with my hon. Friend the Member for Reading East (Mr Wilson) that surface access to airports is a crucial part of making them successful. That is why

Crossrail and Thameslink are going ahead—both will improve access. We continue to consider other options for western access to Heathrow, including work that could be co-ordinated with the proposed HS2 spur to Heathrow.

We have made it clear that a key plank of the Government's approach to aviation is the cancellation of Labour's misguided plans for a third runway at Heathrow. I find it ironic that the shadow Secretary of State, the hon. Member for Garston and Halewood (Maria Eagle), accuses us of having no policy, when the previous Government spent 13 years on an aviation White Paper that everyone agrees is no longer fit for purpose, and on pursuing a runway that is universally agreed to be absolutely the wrong approach for the UK economy. One of the coalition Government's first acts was to cancel the third runway at Heathrow. I continue to believe that the price in terms of the environmental impact would have been far too high, given that noise already has a significant impact for thousands of people living with a plane overhead every 90 seconds. At the time, Labour described our position as

"politically opportunistic and economically illiterate".

It seems that those on the shadow Front Bench have learned the error of their ways—but not all on their Back Benches.

We are clear that we need to protect and enhance the connectivity that is vital for our economy, which is why Heathrow's success as one of the world's busiest and most successful international airports is so vital. Our aviation strategy is designed to ensure that the UK maintains and improves the success of this leading international gateway. There is no evidence that Heathrow is about to lose its hub status. It remains an immensely successful airport, with more services to China than any of its European rivals, and a particularly strong connection with Hong Kong as China's main hub airport. Our immediate priority is to make our airports work better within their existing capacity limits.

Henry Smith: I was delighted to welcome the Minister to Gatwick airport last month for the opening of new security gates. Will she congratulate Gatwick airport on the more than £1 billion of investment that it is making in enhancing capacity? Indeed, Sir John Major will open the renewed north terminal on Thursday.

Mrs Villiers: I am happy to offer my congratulations on that. Contrary to the allegation that the Government have created a policy vacuum, we have a range of initiatives designed to make our airports better—our priority is to make them better, rather than bigger. We are legislating for a much more passenger-focused system of regulation. We are improving air space management through the Future Airspace Strategy in the Single European Sky programme, which is already delivering real benefits in the UK and Ireland. We are changing the way aviation security is regulated to enable the industry to deliver the same high standards in security, but in a more passenger-focused and more hassle-free way.

Our south-east airport taskforce also included proposals to improve resilience and address delays. As a result, we are trialling the tactical use of greater operational freedoms at Heathrow. This is very sensitive, because those freedoms mean that occasionally there will be some incursions into the respite period, with occasional use of both runways for departures, or, occasionally, use of both runways for arrivals. However, I emphasise that that is not mixed mode and the Government remain committed to runway alternation and the benefits it brings. Very careful consideration will be given to the impact of the trial on local communities. I emphasise that the measures being trialled are to be used only to improve resilience, and prevent or recover from disruption, and not to increase capacity, which remains capped at current levels.

We have published our scoping document, setting out the issues to consider for the future of aviation. We know how crucial it is to have a successful regional airport sector, as hon. Members have highlighted today. We will look at ways to harness spare capacity to support economic growth and help to relieve crowding in the south-east. High-speed rail has strong potential to provide an alternative to thousands of domestic and short-haul flights. HS2 to Manchester and Leeds will deliver a three and a half hour journey time between London and Scottish destinations, providing a viable alternative to thousands of Scottish flights.

Maria Eagle: Will the Minister give way?

Mrs Villiers: I am sorry, but I really do not have the time. We accept that the international nature of aviation, as has been said, means solutions are often best delivered at a multilateral level. That is why we are working with the International Civil Aviation Organisation towards agreement on emissions and on noise issues. That is why we have worked very hard on the inclusion of aviation in the emissions trading scheme. We will publish our draft strategy in spring next year for public consultation, with a final strategy due in 2013. We want to see Britain, and British companies, spearheading the global debate on greener air travel and shaping a low-emission aviation sector of the future. We need to work with the industry to find new ways of decarbonising air travel, boosting investment in low-carbon technologies and fuels, and enabling the aviation sector to generate the headroom it needs to grow in a sustainable and successful way. Our world-beating aerospace sector will play a vital role in that. The challenge creates great opportunities for that world-beating sector.

We want to open a new chapter on the aviation debate. We are interested in working on a cross-party basis, as has been discussed today. Our goal is to move away from the polarised opinions that have dominated the discussion in the past. We want to develop a broader consensus for the change we need to deliver a flourishing air transport sector that can support economic growth, while addressing its local environmental impacts and playing its full part in combating climate change.

Mr Roger Gale (in the Chair): Order. I owe an apology to the Minister and to the Opposition Front-Bench spokesperson. It does not happen all that often, but I am afraid that, so captivated was I by the quality of the Back-Bench debate, I misread the clock. I apologise to both Front Benchers.

I am also sorry that I was unable to call the hon. Member for Crawley (Henry Smith), but his constituents will have noticed from his intervention that he was assiduously present throughout the debate.

Finally, while I am on my feet, I express my pleasure at the birth of the granddaughter of the hon. Member for Central Ayrshire (Mr Donohoe).

Bank Account Fraud

4.1 pm

Stephen Timms (East Ham) (Lab): I am grateful to Mr Speaker for selecting this debate, and I am delighted to see the Exchequer Secretary to the Treasury in his place, upholding as always the high standards set by previous occupants of his office.

The debate arises from troubling recent constituency cases, in which constituents who have been the victims of fraud have found themselves seriously disadvantaged by actions taken by the banking industry in response. They have suffered what seems to be arbitrary and draconian punishment without even an explanation, still less any opportunity to challenge what had been done to them. No one can object to the banking industry taking every step it can to protect itself and its customers from fraud. It is absolutely right that it should do so, but those measures need to be taken in a way that treats customers fairly, and such a requirement has not been met in the cases to which I shall refer. I hope the Minister will agree that we need a better way of protecting against fraud, which does not cause its victims such hardship.

I will put to the Minister a series of points, to which he is likely to be sympathetic and to which I will be grateful for his response. First, if customers are to be denied the opportunity to have a bank account, they should be told and not, as in my constituency cases, be left to find out for themselves, submit numerous applications to different banks and be rebuffed each time for reasons that have not been made known to them. They should be told for how long they are likely to be unable to open an account. They should be given accurate information about what alternative courses of action might be available to them. If the only account they will be able to open is with a credit union, they should be told so. My constituents have been provided with no such information and been left completely in the dark.

Secondly, there should surely be at least some allegation of wrongdoing before someone is deprived of a bank account. In the case of my constituents, as I am about to explain, no such allegation was made, but the inter-bank machinery of the financial services industry organisation, the Credit industry fraud avoidance system, was triggered anyway. Thirdly, someone who is to be denied the opportunity to have a bank account should be provided with a reason. Such people should have someone in their own bank, in CIFAS or somewhere with whom they can discuss the matter—someone who understands what is going on. Fourthly, they should be given the opportunity to challenge the refusal of an account. Being unable to hold a bank account is too serious a handicap for there to be no practical way at all to challenge what is being done.

I will set out the experiences of my constituents, which have given rise to my concerns. I first became concerned when my constituent Miss Josephine Dolor came to see me in July. She had a Halifax bank account, with a bank card, which she had last used in early November last year; she was 17 at the time. When she next tried to find the card, she could not do so. At that point, as she accepts, she made a mistake. Thinking that the card would turn up, she did not report its loss and took no action for some weeks. She recognised that the card had really been lost only when she could not find it after Christmas. She then reported its loss at the East Ham branch of Halifax on 29 December last year, some six weeks after it first went missing.

By that time, all Miss Dolor's education maintenance allowance payments, amounting to about £100, had been withdrawn from the account. In addition, in late November, £1,000 was transferred into her account from somewhere else, and another £600 was transferred in on 9 December. By 18 December, those funds had all been withdrawn. The transfers in have since been confirmed as fraudulent and remain the subject of a fraud investigation by the bank. On 7 February, Miss Dolor was interviewed by a Halifax officer, and she explained what had happened and that she had no knowledge of how anyone else could possibly have known the personal identification number for her card—although they clearly did—and the officer said that she believed Miss Dolor's explanation.

At that point, it would be difficult to criticise Halifax. Miss Dolor had had the opportunity to explain what had happened, and her version of events had been accepted. However, at that point things started to go badly wrong. In response to an inquiry about the closure of the account from Miss Dolor's mother, she received a letter from Halifax customer relations dated 29 March. The letter was rather unclear. It included an apology to Miss Dolor, a reimbursement of the £100 that had been taken out of her account and a £50 payment

"for any distress our process has caused".

It appeared that, as the Halifax officer had stated, the bank accepted that Miss Dolor was innocent of any wrongdoing. But the letter also said:

> "No explanation has been provided as to how a third party may have access to your PIN. Regrettably we are not going to offer you any more accounts as a result of the fraud. This is a business decision."

That blunt termination of the account was only the start of Miss Dolor's problems. She subsequently found out the hard way that it was impossible for her to open an account with any other bank, because Halifax has registered her with CIFAS. Lloyds Banking Group, the parent of Halifax, tells me that that is a requirement of its membership of CIFAS. CIFAS, though, says that it is not a requirement and that it is up to the bank how the case is registered. Lloyds certainly did not warn Miss Dolor of the consequences of the "misuse of facility" registration that it had made of her. In my view, Lloyds should certainly have explained that to her. I understand why Lloyds registered my constituent: because the withdrawal from the account was carried out using her card—that is not in dispute—and her PIN. Miss Dolor told me that she has no idea how anyone could have known her PIN. It is not written down anywhere, she has not told anyone what it is, not even her mother, and she is not aware of anyone ever watching her use it, although of course fraudsters have some clever techniques for obtaining such information. There is certainly no dispute that someone had the PIN. On one occasion, a fraudulent withdrawal was apparently made in a branch using a signature that did not to me look very much like Miss Dolor's.

CIFAS told me yesterday, however:

> "If Halifax had considered that Miss Dolor was a victim of fraud they would have filed her case as such. If she had been filed

> as a victim, Miss Dolor's ability to hold bank accounts, or indeed open new ones, would have remained unhindered...Halifax chose to register this case as a 'misuse of facility' which identified Ms Dolor as being a fraudster".

At the same time as apologising to Ms Dolor and issuing her with compensation, Halifax was registering her with CIFAS as a fraudster, and that registration was subsequently supported by the Financial Ombudsman Service. As a member of CIFAS, Halifax is required to register the details of all proven fraud cases, but I understand that that is not a legal obligation, simply a condition of CIFAS membership. Being the subject of a misuse-of-facility registration with CIFAS has had disastrous consequences for Miss Dolor. Her account with Halifax was summarily closed, and she has since been unable to open an account with any other bank or the Post Office.

One of the most disturbing aspects of the matter for me is that no one explained to Miss Dolor that that was going to happen. Halifax gave the impression that it accepted that she was the victim, and it gave her compensation. It did not inform her that she would no longer be able to have a bank account. She had to find out the hard way. The other banks told her not that that was because of her registration with CIFAS, but simply that she did not meet their criteria for opening an account. There was a real danger in the summer that, because Miss Dolor had no account into which to pay her student loan cheque, she was going to have to give up her university place. In the end, she was able to open an account with a local credit union. She cannot access that account from her university home, so it is awkward for her, but it meant that it was at least possible for her to commence her course in September.

One letter from Halifax suggested that she should open a basic account somewhere. She has tried but has been rejected twice, because that is not possible given her registration. Surely her bank should understand the consequences of its action against her, and inform her of those consequences. That did not happen, and when I pressed Lloyds, its response was:

> "Our letter of 29 March 2011 went into detail about CIFAS."

That was simply untrue. The letter of 29 March should have explained that the misuse-of-facility registration with CIFAS would make it impossible for Ms Dolor to obtain a bank account anywhere. What it actually said was that

> "extra checks will be made for you when you are applying for financial products...your credit file has not been updated to hold negative information".

It reads as though Lloyds was doing her a favour. In fact, Lloyds almost prevented her from starting her university course. Surely customers are entitled to expect their bank to be straight with them.

When a person applies to open a bank account, each bank runs that person's details through the CIFAS database. If they are found to have a misuse-of-facility registration on CIFAS, it seems that they are told that

> "further checks have shown you do not meet the bank's criteria for an account",

and that is the end of the story. There is no appeal and no further recourse. Miss Dolor inquired at just about every High street bank, and at the Post Office. She has never had the opportunity to discuss the position with anyone. She has simply received the same automated response every time. My constituent, who is an enthusiastic, intelligent, young woman who aspires to a career in law, has been placed in limbo. As far as one can tell, she has not even been accused of any wrongdoing, let alone found guilty of anything. She is the victim of a fraud, yet she is still, one year after her card was stolen, unable to open a bank account anywhere.

Another constituent, Mr Ravi Borra, contacted me last month on finding himself in a similar situation. He is an MBA student at Coventry university's London campus. To support himself he has worked full time as a waiter at St Pancras station during his vacation. For that he received just over £1,000 for a month's work, and he was paid by cheque. After paying that cheque into his bank account in good faith, he was contacted by his bank—again, it is Lloyds—which informed him that the cheque had been flagged as being fraudulent, his account had been suspended, and he had been registered on CIFAS. Like Miss Dolor, he cannot open an account elsewhere, and when he attempted to do so, he was told repeatedly that his application did not pass the qualifying tests. He filed a complaint with Lloyds in September, and was contacted by the fraud department a few days later and was told that, although it could not reopen his old account, it could set up a new account for him. Mr Borra was happy with that compromise. He received his PIN number and debit card for his new account, but the very next day he received a letter from Lloyds saying that

> "recent risk assessment on your accounts has highlighted concerns and as a result we have taken the decision to close all the accounts you currently hold with us in two months time...in the meantime, I have placed a block on all your accounts which stop all transactions".

Mr Borra finds himself in a complete nightmare. He did a month's work for which he has received no payment. He cannot open a bank account. No one will tell him what is going on. He cannot even apply to extend his student visa and it seems that he may be unable to finish his studies.

Late yesterday, CIFAS told me that Mr Borra's registration with it was cancelled by Lloyds last month, but no one has told Mr Borra that, and the new block on his new account was imposed after the deletion. He has told me today that he still cannot open an account anywhere, for reasons that are at the moment unknown. Lloyds says that it is simply complying with its obligation as a CIFAS member, but CIFAS says that when someone is registered with it, it cannot delete that data. The prerogative for doing so lies with its members—the banks—and the registration remains on the database for a minimum of one year. One year without a bank account seriously disrupts a person's life. There seems to be nothing my constituents, who have not been accused of anything, can do to open a bank account and resume their lives.

The Minister will recognise that being without a bank account is a serious disadvantage and may mean not being able to start a university course or take up a job. People should not lightly or accidentally be deprived of the chance to have an account, but that is what seems to have happened in these cases. As far as I can tell, no one decided that my constituents should be denied the chance of having a bank account. Rather, actions by their bank triggered a response from the machinery that has been put in place, with the effect that they cannot

[Stephen Timms]

have a bank account for at least a year. Surely that is too serious a sanction to allow it to happen by accident. Being denied a bank account is appalling for anyone, and contrary to Government policy. As we move towards the introduction of universal credit, this Government, like the previous one, are encouraging people to have bank accounts, but in arbitrarily closing accounts the banks are undermining Government policy as well as causing hardship to their customers.

I hope the Minister agrees that people such as those I referred to should not be treated in that way. Perhaps he can offer some hope that those who find themselves in that nightmarish situation may be offered a means of finding a way out.

4.17 pm

The Exchequer Secretary to the Treasury (Mr David Gauke): It is a pleasure to serve under your chairmanship, Mr Gale. I congratulate the right hon. Member for East Ham (Stephen Timms) on securing the debate.

I sympathise with the right hon. Gentleman's constituents, whose experiences he described so vividly. He knows that it is difficult for the Government to comment on specific cases, but it is clearly unacceptable that individuals who have been victims of fraud—that seems to be the case that he set out—should be systematically denied access to a bank account. As far as I am aware, there is no legal or regulatory reason for this to happen.

As the right hon. Gentleman said, the consequences in this day and age of someone being denied a bank account are considerable, and I entirely agree with him that that should not lightly or accidentally be denied. It is worth making the wider point that the Government want to ensure that we improve levels of financial inclusion, as indeed did the Government in which he served with such distinction. We believe that banks should serve the economy, and we are committed to improving access to banking and the transparency of financial products for consumers.

Having access to appropriate banking services is an important element of modern life, and it can help to alleviate some of the problems faced by low-income families. A bank account enables individuals to make and receive payments through a variety of channels, have a more secure place to keep money and reduce the cost of household bills. The number of individuals without bank accounts has fallen in recent years, but the Government remain keen to see the situation improve further, and in particular to identify groups who may have specific difficulties in accessing a bank account.

While the situations described by the right hon. Gentleman are clearly invidious, it is not clear how many individuals are affected by this sort of difficulty. This is the first time that I have personally been made aware of this issue. As far as the Treasury is aware, it is not widespread. The right hon. Gentleman may have identified a growing problem that we need to look at. His industry and dedication as a constituency MP have highlighted not one but two cases that happen to have occurred among his constituents.

The issue falls within the remit of the Financial Secretary to the Treasury. He is not available to attend the debate, but he will be asking officials to investigate how this matter may have arisen and how many consumers may be affected. We will write to the right hon. Gentleman to explain the findings, and I am grateful to him for highlighting this particular issue. Clearly, we need to understand whether the problem is widespread.

The right hon. Gentleman set out four points, and I shall try to respond as best I can. I will take his first and third points together. He asked whether individuals should be informed if they are going to be denied a bank account and, if so, whether they should be provided with a reason. Those are eminently sensible and reasonable points. Consumers have the right to ask for a reason if they are denied a bank account, as set out in the Money Advice Service's guide to bank accounts, which is available on its website. Consumers may also complain to the specific firm if they are unhappy with the outcome, and they can take their complaint to the Financial Ombudsman Service.

The decision to offer a bank account is ultimately a commercial decision. Current account providers are not obliged to provide a specific reason for not offering an account. However, it is worth highlighting the Financial Services Authority's principle that financial institutions are required to treat their customers fairly, which is relevant in these circumstances.

The right hon. Gentleman questioned whether consumers should be denied a bank account where there has been no allegation of wrongdoing. Again, decisions as to whether to offer a bank account are a commercial matter for the financial institution concerned, and the Government do not intervene in such decisions. However, there is no legal or regulatory reason for victims of fraud to be denied a bank account. The circumstances that he set out appear to be of some concern.

The fourth question asked by the right hon. Gentleman was whether consumers should be given the opportunity to challenge the refusal of an account. If consumers are unhappy with the decision taken, they may complain to the specific firm concerned, and if they are unhappy with the outcome, they can take their complaint to the Financial Ombudsman Service. I reiterate the point that if a financial institution, or more specifically a bank, has been in breach of the FSA principle of treating customers fairly, the individual customer can raise that with the bank and with the Financial Ombudsman Service. If the explanation that is given to a customer is wrong—for example, if there is misleading information about how CIFAS works and its impacts—without wanting to be drawn too much into specific cases, it seems there is a case that the customer is not being treated fairly.

Stephen Timms: Part of the difficulty arose when the banks to which an application was made simply said to Miss Dolor, "You do not meet the criteria for an account." I do not know whether that meets the terms of providing an explanation, but it clearly did not shed any light on the matter for her. If she had been told that she had been registered in such and such a way with CIFAS, she would have understood what was happening. The whole process was opaque. Does the Minister agree that some effort should be made to provide some illuminating information rather than a kind of stonewall response? It might meet the letter of the requirement, but in practice it does not help the customer at all.

Mr Gauke: I have considerable sympathy with the point that the right hon. Gentleman makes. Again, I do not want to be drawn into an individual case, but clearly it is not terribly helpful when the response may be technically accurate, but does not get to the heart of the matter. As he has set out, the individual customer, a member of the public, will be concerned if they find themselves in that most difficult of situations where they are being denied a bank account, but without any real understanding as to why. As in the cases that he has highlighted, an individual may go from bank to bank without being given any real indication as to why they are in that difficult position. In such circumstances, I sympathise with him and his constituents.

The Government want to ensure that everyone can access the financial services that they need to play a full part in society. I am grateful to the right hon. Gentleman for raising this issue in today's debate. I assure him that we will consider the matter and investigate whether it is widespread. I want to assure him that it will be taken into account as part of the Government's ongoing work to improve financial inclusion and access to bank accounts. He has rightly set out some of the difficulties that exist for individuals if they are not able to access a bank account. If the attempt to tackle fraud is working in such a way that the innocent are being punished, we need to address that by working with the FSA and the high street banks.

I reiterate my thanks to the right hon. Gentleman for raising the matter. My colleague, the Financial Secretary, will reply to him with further details after we have had an opportunity further to investigate the extent of the problem. If there is anything that we can do to address this matter, we are certainly keen to do so.

Planning Guidance (Northumberland)

4.28 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): Thank you, Mr Gale, for chairing this debate. I am glad that the Minister is taking part. He and I have worked together on other issues over quite a long period. I am glad to have the opportunity to discuss the potential impact of the draft planning guidelines in Northumberland. My hon. Friend the Member for Hexham (Guy Opperman) would like to have taken part, but he is still taking part in the constituency boundary inquiry in Newcastle, at which I spoke yesterday.

I want to address three main questions in this short debate. First, does the guidance enable planning authorities to combine the protection of the countryside with the encouragement of those forms of development that local people need if they are to have affordable homes and jobs? Secondly, how does the guidance affect the strategic housing land assessment that councils have been required to carry out? Thirdly, how will it be applied to wind farms and wind turbines?

Quite a lot of my constituents have involved themselves through e-mail in the debate about the planning proposals, and some have clearly been concerned by fears that they will unleash a torrent of development in the countryside or strip away the protections that the countryside enjoys. Ministers have made it clear that the guidance does not reduce or dismantle the protection given to national parks, areas of outstanding natural beauty or the green belt—my constituency contains the first two of those. Instead, it embodies a principle that has always been part of the planning system: a person has the freedom to make use of his or her land unless there is good reason for the community to deny that right, such as the protection of landscapes, the conservation of historic buildings and areas, or the promotion of sustainability. I sometimes wonder, however, whether man-made landmarks that we know and love—Stonehenge, Blackpool tower, Kielder water, Lindisfarne castle, for example—would have received planning permission from some authorities.

The Government are right to get rid of much of the top-down structure and guidance that has grown up over the years. Regional spatial strategies have ludicrously restricted the number of houses that can be built in Northumberland's rural villages, and regional strategy has created a presumption in favour of wind farms in many of the most attractive parts of my constituency. The objective of having a much shorter guidance manual is correct, but the Government must develop clearer wording around the concept of a

> "presumption in favour of sustainable development."

If they do not, Ministers and planning authorities will waste a lot of time and money in the law courts over the next few years, and the planning process will be subject to even more delays. People may feel that the dice are being loaded against them—I will return to that point.

When an organisation with such a distinguished record as the National Trust rings the alarm bell, Governments need to take notice. The trust is a major land and property owner in my constituency; it owns most of the village of Cambo, and much of Low Newton-by-the-Sea, as well as historic buildings that are great tourist attractions. The trust's initial comments and those of the Campaign

[Sir Alan Beith]

to Protect Rural England might have given the impression that people who live in and care about the countryside are against all development, but that has never been so. Indeed, the National Trust sometimes applies for planning permission for developments that it considers necessary to make the country houses it owns sustainable. Country people know that the countryside cannot be run as a museum. If they are to provide local services, local people need homes at prices that they can afford. Shops, pubs, churches and local transport need a resident population to sustain them; they cannot survive on weekend-cottage owners alone. Jobs are needed to stop rural depopulation.

During my time as a Member of Parliament—which, admittedly, is getting quite long; 38 years last week—I have seen a huge reduction in the number of houses inhabited full time by people who work locally. House prices, inflated by scarcity and the demand for second homes, are far beyond the reach of local people in rural Northumberland. I therefore welcome the wording in the guidance that, in rural areas, local councils should plan to meet the need for affordable housing and that some market housing should be allowed if it will provide more affordable housing for local people. Although I welcome the debate about protecting the countryside, I do not want it to lead to the Government adopting wording that would make it even more difficult to secure the housing and small business development that are essential to a sustainable countryside. Equally, I would not want anything to add to the feeling shared by some of my constituents that, even under the current system, the balance of power is in favour of large developers.

James Wharton (Stockton South) (Con): I congratulate the right hon. Gentleman on securing this important debate; it refers specifically to a part of the world that is not too far from my own. He pointed out that many communities feel that they do not have enough control over developments. Does he agree that that is the case all too often? Many communities in my constituency are opposed to local developments—whether housing developments, wind turbines or any other sort of development—and feel that they have no power or voice under the old system.

Sir Alan Beith: Indeed, and I welcome the various ways in which the Government are trying to empower local people—for example, through local neighbourhood planning. Alnwick in my constituency is one pilot area for such a development. I genuinely welcome the Government's attempt to bring more of the planning decision process to local people. Of course, some things in the planning guidance might work the other way, and I will address some of those issues.

As I have said, some people in my constituency feel that the dice are loaded against them in favour of big developers. In my area, there is the added issue of large, landed estates that are in a relatively powerful position and can consider their actions for the long term. They have many levers in their power, which people feel can sometimes make it difficult effectively to oppose developments that they do not like, or even to secure the appropriate balance of social housing in a development.

The Minister will know that I have experienced difficulty in getting a satisfactory answer to constituents' concerns about the strategic housing land availability assessment and how it will relate to the presumption in favour of sustainable development—what a jargon-filled world we live in, between the SHLAA and the presumption, but that is what we must examine. If the SHLAA is just a developer's wish list and does not change the designation of land or the way that planning considerations are applied, it will not be a problem.

Experience of a recent case in Berwick, however, has created the fear that the SHLAA listing, which the planning authority agreed to without first consulting English Heritage, could override important archaeological and landscape considerations in future planning decisions. An extremely sensitive site close to the Royal Border bridge and castle was included in the draft SHLAA, although the heritage and landscape factors were not listed in the assessment. That has left local people feeling that, should the area ever be the subject of a planning application, the dice would already be loaded because relevant factors had been set aside by the site's original inclusion in the land assessment.

There is also concern that, in many places, local development plans do not exist, have not been finally agreed to, or have not been updated. That could lead to a disregard of relevant planning considerations for sites included in the SHLAA list, or to the presumption in favour of sustainable development overruling conservation, landscape or other considerations. What assurance can the Minister give to localities that do not have an approved up-to-date local plan?

Finally, I will consider wind turbines and wind farms. Large parts of my constituency, which is characterised by beautiful countryside and stunning views, have been designated as suitable for onshore wind generation. Some parts, such as the national park, although not the adjoining areas, have been excluded. The result is an avalanche of applications for the rest of the area, some of which encircle communities such as Wingates, a hilltop village near Rothbury. In the borders region, 250 turbines have been erected and 600 are in the planning process. Northumberland has granted permission for three wind farms, and a further 10 have been approved by inspectors on appeal. The planning authority needs to be confident that it is free to make sensible, careful and robust decisions about which sites to approve and which to reject. Opinions are, of course, divided over individual wind farm sites and about the general policy of wind-farm development.

James Wharton: The right hon. Gentleman refers to the need for local councils to have a genuine framework of accountability through which they can influence applications for wind farms. In Northumberland, the Conservatives have called on the county council a number of times to look at the introduction of a policy that will make it clearer, for both applicants and residents who are concerned about potential developments on their doorsteps, what the framework in that area should be and what is, or is not, permissible. Does he believe that to be a possible way forward, and would he support such a position?

Sir Alan Beith: I will go on develop the case in my own way, and the hon. Gentleman will see how I think that we should handle it. His intervention is relevant to my point because, although there are many divided opinions, they do not divide along party political lines. He mentioned the Conservative party, and in Northumberland there are applications to place a turbine on a site belonging to the Conservative leader of Northumberland county council and for a wind farm to be put on land owned by the hon. Member for Stroud (Neil Carmichael). Enthusiasm for renewable energy and wind farms, and concern about them, stretches across the parties.

In such a highly-charged debate, we must know what the new planning guidance will mean. It could be argued that a wind farm or wind turbine is, by definition, a sustainable development because it produces sustainable energy without carbon or non-renewable resources. If that is combined with the existing designation of some larger areas as suitable for wind farms, does the presumption in favour automatically come into play? We need to clear that up, because if it were so, the planning process would break down. The planning authority would be left powerless to make sensible decisions about the suitability of a site, its cumulative impact in the light of other approvals, landscape issues, wildlife protection or proximity to residential developments. The planning authority would fear losing every appeal against refusal, at considerable cost. Therein lies one of the problems with the suggestion made by the hon. Member for Stockton South (James Wharton). If the planning authority devises a framework that is more restrictive than the regional framework to which it is already subject and then loses its cases on appeal, we are no further forward.

Let me consider, as I have referred to it, the proximity to residential properties. The planning guidance is a missed opportunity to write in a national presumption against close proximity to residential properties for large or multiple turbines. The Government have not looked favourably on the relevant private Member's Bill promoted by the hon. Member for South Northamptonshire (Andrea Leadsom). They should reconsider the issue to give people some reassurance, not about small turbines designed to provide electricity for a house or farm, but about large installations built very close to residential property.

The Minister must make it clear that what I have described in respect of the presumption in favour of sustainable development will not have the effect that I have suggested—that that is not the Government's intention. Even within areas designated as suitable for wind farms, there should be no non-rebuttable presumption. Planning authorities will be seen as a waste of space if they do not have the freedom to control the rush to find and develop wind-farm sites in which so many developers are competing. My constituents will rightly be angry if the planning authority is unable to take into account historic views of Holy island, Bamburgh and the Cheviots, or any of the other factors that I have mentioned, including wildlife protection and closeness to residential property.

There are a great many applications in my constituency, and that has introduced a new and rather worrying element, to which I want to direct the Minister's attention. One developer, which has applications in relation to the Elsdon area and the area north of Belford—two separate applications relating to different parts of my constituency—somehow managed to give residents in Elsdon the impression that, although there would be some funds for community benefit if the scheme went ahead, there would be a lot more if they did not oppose it and there was no need for an appeal or an inquiry. It would not be acceptable for the planning process to be distorted by people being pressured to forego their right to express their point of view. Needless to say, it did not have that effect. When the people affected thought that that was what they were being told, they reacted in a pretty hostile way. It certainly did not bring them round in favour of the proposal. However, that would be a very unwelcome development in planning matters.

Some people do not like community benefit at all. I accept that if a scheme—whatever the development—goes ahead and has potentially detrimental effects on an area, or if it would be more acceptable if other things were done at the same time, developers should be encouraged to provide those benefits to the community. However, their scale should never be conditional on whether the planning process has been allowed to go ahead in the normal way or has been curtailed by people feeling that somehow they would lose out if they pursued their objection.

We want to protect the very special beauty of our countryside from the threat of inappropriate or badly sited developments, whether wind farms or other kinds of development. We need the power to make local decisions. We want to maintain a living countryside that welcomes the homes and jobs that are needed if the countryside is to be sustainable. The result of the debate about planning policy needs to be a system in which local people play a crucial part not only in helping to shape their area, but in keeping it as one of living communities whose beauty and grandeur are protected for future generations.

4.44 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is a pleasure to speak under your chairmanship, Mr Gale. I congratulate my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith) on securing the debate, which I know is important both to his constituents and more generally. I am delighted to be doing business with him again in a Committee Room of sorts. Our roles today are slightly different from our previous incarnations in the Select Committee on Justice.

I shall try to deal with the important points raised by my right hon. Friend. He has made powerful points in the context of his constituency and its surrounding county. In a wider context, there has been a positive and constructive debate on matters of planning policy in relation to the Localism Bill and in other debates in both Houses. I welcome the opportunity to debate those matters further.

I am pleased that my right hon. Friend recognises, fairly, that there is a pressing need for reform of national planning policy. The system has grown unworkably complex, with more than 1,000 pages of national planning policy and at least a further 6,000 pages of guidance. The complexity of that system slows down decision making and frustrates the sustainable growth that the country needs, such as new homes for young families struggling to put together a deposit and new jobs to

[Robert Neill]

breathe fresh life into local economies. He correctly recognises that that applies in rural areas as much as in towns and cities.

A streamlined framework focusing on key priorities will be more accessible and transparent. In the future, anyone who wants to understand the principles informing how decisions are made will be able to do so. That is important, as polling evidence suggests that many people feel cut off from the planning system because it is too complex. They do not feel able to find their way through it. They feel that they are unable to understand or to influence. If the system is not intelligible to the intelligent and well-informed citizen, it is not delivering on one of its key purposes.

It is important to get this right, because planning is a very important tool. It is how we create communities that work and, as my right hon. Friend said, places that we are proud of, and it is how we lay the foundations for business. Also, and very importantly, it exists not only to protect, but to enhance our green spaces, parks and countryside for our enjoyment today and for generations to come.

Let me make some remarks on the specific issues that my right hon. Friend helpfully raised. I am sure that you, Mr Gale, and other hon. Members will understand that I am constrained in what I can say today, given that we are engaged in considering the large number of responses—some 14,000, as I recall it—that we have received to the consultation. Of course, we need to give all the responses careful attention and avoid any impression of pre-empting the outcome of the consultation.

We have heard concerns expressed about the effect of the proposed presumption in favour of sustainable development on local areas, whether that is my right hon. Friend's rural Northumberland or urban areas. Some of those concerns—I exempt my right hon. Friend's observations from this entirely—have been very wide of the mark. Joseph Harper, QC, editor of the "Encyclopedia of Planning Law and Practice", has said that much of the criticism is ill informed. However, that does not mean that there are not genuine concerns, which I hope that the Government will be able to allay.

We want to ensure that planning is a positive process that reflects the needs of each area and to emphasise the central and critical role of the local plan in decision making. We want local authorities to be responsible for deciding what housing and other development they need and where it should go without the sort of top-down, unpopular targets that were imposed on them under the previous Government's regional strategies. We want that development to be plan-led. Indeed, the proposed new system does not undermine the concept of the plan and enhances its importance.

What the presumption says, in layman's terms, is quite simple: locally prepared plans should set out what is needed in each area, development in line with those plans should be approved without delay, and in the absence of an up-to-date plan, the policies in the draft national planning policy framework, including its requirement for development to be sustainable, should guide decisions.

My right hon. Friend raised a concern about irrebuttable presumptions. I assure him that that is not the case. Like any legal presumption, the presumption is rebuttable by evidence, which is a basic legal tenet. In this context, the best evidence to rebut a presumption will be the existence of an up-to-date local plan that deals with the issues raised by the development in question.

Sir Alan Beith: I want the Minister to take into account the situation in Northumberland, where the county planning department took over from six district councils, some of which contained significant areas that were not the subject of a developed or agreed local plan. In these times of straitened resources, getting the structure of local plans fully completed and agreed in every place will take some time. We may need some kind of transition period before the principle can operate in quite the way that he has suggested. Will we not have a situation where some factors are not properly examined, because there is no local plan governing the situation?

Robert Neill: I take my right hon. Friend's point. I am sure that he will have noticed that the Minister with responsibility for decentralisation, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), recognised that point in the debate that we had in the House recently. I cannot pre-empt our response to the consultation, but I reassure my right hon. Friend the Member for Berwick-upon-Tweed that his point is particularly well heard by the Government. The Minister with responsibility for decentralisation has indicated that we will look to provide suitable transitional arrangements for local authorities in such circumstances, including the local authority of my right hon. Friend the Member for Berwick-upon-Tweed.

Against the background of the importance of a local plan, the onus is put on democratically produced local plans to identify and provide for the needs of each area. Plans must be based on evidence and be deliverable, or they will not have the confidence of the community or of investors, who might need to be brought into the area.

On housing, plans must, as is the case now, reflect the local housing based on a strategic housing market assessment and the availability of suitable land, which is set out in strategic housing land availability assessments. SHLAA, as they are often referred to, do not allocate land for development, but inform decisions on land allocations to be taken through a local plan. They form part of the evidence base. Policy restrictions such as landscape designations and the potential impacts of development on the landscape are identified through the assessment. Sites are chosen for development in the local plan and are subject to full consultation with statutory consultees and the public through the local plan process. None of that is undermined in the new system.

Sir Alan Beith: That is a key point on which I want to press the Minister. If the assessment has been carried out in a way that fails to address some issues, such as landscape, is there any proper mechanism by which it can be reintroduced when a planning decision has to be taken?

Robert Neill: Ultimately, each planning application has to be addressed on its merits and the relevant material considerations and policy. The plan is one of the principal material considerations in a case, but the existence of, for example, designations that are consistent with national policy or other impacts can always be taken into account. There is a classic dictum by Lord Clyde in the House of Lords on such matters, which states that the weight to be placed on any material consideration is a matter for the decision maker. Again, that has not changed. Obviously, the weight that each material consideration carries will vary from case to case, but that is the whole point of the system. I assure my right hon. Friend that such issues are not shut out by the process.

The natural environment is an important part of the process. We pay great attention to the safeguarding of the natural and historic environment. Under local plans, communities can shape development in an area to reflect what is important locally, which includes special landscapes or the character of villages. Again, the best protection, making allowances for the transitional arrangements that I have referred to, is to get a plan in place, which can reflect precisely the points raised by my right hon. Friend.

Although we recognise that we need jobs and homes for young people and opportunities for businesses to expand, that will not be at the expense of our natural and historic environment. The draft framework sets out the Government's thinking on how the planning system should safeguard the environment while providing for sustainable growth. The national planning policy framework maintains designations for the green belt, areas of outstanding natural beauty, national parks, sites of special scientific interest and other designations that protect the character of our country's landscape, stop unsustainable urban sprawl and preserve wildlife. We are going further on that, because we will introduce a new local green space designation through the NPPF. It will enable communities to identify green areas of particular importance to them for special protection. That might be a key green in a village or a market town, as well as in a major city.

If we are going to protect the environment, it is important that we use land effectively. That is why the draft framework clearly states that

"plans should allocate land with the least environmental or amenity value."

That means using derelict land when considering where to develop. We want developers to reuse derelict land, if that is the most appropriate course of action.

We also want to respect the historic environment. It is a non-renewable resource, and its conservation is integral to sustainable development. I reassure my right hon. Friend that we are committed to ensuring that the framework will maintain the existing protection, as set out in planning policy statement 5 for the historic environment, and we are looking carefully at the specific wording in the NPPF.

My right hon. Friend mentioned wind farms. Residents will have greater choice than ever in that regard through their local and neighbourhood plans—neighbourhood plans are a key part of the system, too. The plans will enable them to decide the look and feel of the places that they live in and love, while making sure that genuine larger-than-local objectives are met, such as protecting the natural environment, supporting sustainable local growth and combating climate change. I appreciate that proposals for wind farms can be controversial, but onshore wind, along with other renewables, has an important contribution to make to our energy mix and to reduce the pressure on consumer bills. However, that is not and should not be any excuse for building wind farms in the wrong place. The draft framework does not give a green light to all development proposals.

Whatever the class of development, decisions will continue to be plan-led. Plans will continue to set out what would be unacceptable, and they will be underpinned by the environmental safeguards in national planning policy. I believe that our new planning policies will ensure that communities and their environment are protected from unacceptable developments.

The consultation is closed, and I have indicated the steps that we are taking to consider it. As well as the written consultation, we held 11 regional workshops, including in the north-east. We have had wide engagement with organisations across the spectrum, including those referred to by my right hon. Friend, and I am glad to say that there has been good progress. We are finding unlikely bedfellows—property developers and environmental groups—sitting down and talking together to find common ground on how we go forward.

I hope that I have given my right hon. Friend and his constituents a renewed assurance on the transitional arrangements and the importance of historic and other environmental protections, and reassured them that the new planning policy framework is an opportunity, not a threat. I look forward to working with him again to see how we can take the framework forward as it is translated into a final document.

Question put and agreed to.

4.59 pm

Sitting adjourned.